Filed Pursuant to Rule 424(b)(3)
Registration No. 333-221814

RODIN INCOME TRUST, INC.
SUPPLEMENT NO. 7 DATED MARCH 30, 2021
TO THE PROSPECTUS DATED APRIL 27, 2020

This Supplement No. 7 supplements, and should be read in conjunction with, our prospectus dated April 27, 2020, as supplemented by Supplement No. 1, dated May 15, 2020, Supplement No. 2, dated August 18, 2020, Supplement No. 3 dated November 16, 2020, Supplement No. 4 dated December 18, 2020, Supplement No. 5 dated January 11, 2021 and Supplement No. 6 dated February 18, 2021. The purpose of this Supplement is to include our Annual Report on the Form 10-K for the year ended December 31, 2020.

Annual Report for the Year Ended December 31, 2020

On March 26, 2021, we filed with the Securities and Exchange Commission our Annual Report on Form 10-K for the year ended December 31, 2020, a copy of which is attached to this Supplement as Appendix A (without exhibits).

APPENDIX A

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM___________TO __________**

Commission File Number 333-221814

Rodin Income Trust, Inc.

(Exact name of Registrant as specified in its Charter)

Maryland **(State or other jurisdiction of incorporation or organization)**	**81-1144197** **(I.R.S. Employer Identification No.)**
110 E. 59th Street, New York, NY **(Address of principal executive offices)**	**10022** **(Zip Code)**

Registrant's telephone number, including area code: (212) 938-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C 7262(b)) by the registered public accounting firm that prepared or issued its annual report. YES ☐ NO ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

As of March 23, 2021, the registrant had 418,146 Class A shares, 175,633 Class I shares, and 211,202 Class T shares of $0.01 par value common stock outstanding.

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PART I

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements about our business, including, in particular, statements about our plans, strategies and objectives. You can generally identify forward-looking statements by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. You should not rely on these forward-looking statements because the matters they describe are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond our control. Our actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements.

You should carefully review Item 1A. "Risk Factors" of this Annual Report on Form 10-K for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

These factors include, but are not limited to the following:

- The ability of Rodin Income Trust, Inc. (the "Company") to successfully raise capital in the Offering (as defined below);
- the Company's dependence on the resources and personnel of Rodin Income Advisors, LLC (the "Advisor"), Cantor Fitzgerald Investors, LLC ("CFI"), and their affiliates, including the Advisor's ability to source and close on attractive investment opportunities on the Company's behalf;
- the performance of the Advisor and CFI;
- the Company's ability to deploy capital quickly and successfully and achieve a diversified portfolio consistent with target asset classes;
- the Company's ability to access financing for its investments;
- the Company's liquidity;
- the Company's ability to make distributions to its stockholders, including from sources other than cash flow from operations;
- the effect of paying distributions to the Company's stockholders from sources other than cash flow provided by operations;
- the lack of a public trading market for the Company's shares;
- the impact of economic conditions on the Company's borrowers, tenants and others who the Company depends on to make payments to the Company;
- the Advisor's ability to attract and retain sufficient personnel to support the Company's growth and operations;
- the Company's limited operating history;
- difficulties in economic conditions generally and the real estate, debt, and securities markets specifically;
- changes in the Company's business or investment strategy;
- environmental compliance costs and liabilities;
- any failure in the Advisor's due diligence to identify all relevant facts in the Company's underwriting process or otherwise;
- the impact of market and other conditions influencing the availability of equity versus debt investments and performance of the Company's investments relative to the Company's expectations and the impact on the Company's actual return on invested equity, as well as the cash provided by these investments;
- rates of default or decreased recovery rates on the Company's target investments;
- borrower, tenant and other third party defaults and bankruptcy;
- the degree and nature of the Company's competition;
- illiquidity of investments in the Company's portfolio;
- the Company's ability to finance transactions;

- the effectiveness of the Company's risk management systems;
- information technology risks, including capacity constraints, failures, or disruptions in the Company's systems or those of parties with which we interact, including cybersecurity risks and incidents, privacy risk and exposure to potential liability and regulatory focus;
- availability of opportunities, including the Advisor's ability to source and close on debt, select equity and securities investments;
- the Company's ability to realize current and expected returns over the life of its investments;
- the Company's ability to maintain effective internal controls;
- regulatory requirements with respect to the Company's business, as well as the related cost of compliance;
- the Company's ability to qualify and maintain its qualification as a REIT (as defined below) for federal income tax purposes and limitations imposed on the Company's business by its status as a REIT;
- changes in laws or regulations governing various aspects of the Company's business and non-traded REITs generally, including, but not limited to, changes implemented by the Department of Labor, the Securities & Exchange Commission (the "SEC"), or the Financial Industry and Regulatory Authority and changes to laws governing the taxation of REITs;
- the Company's ability to maintain the Company's exemption from registration under the Investment Company Act;
- general volatility in domestic and international capital markets and economies;
- effect of regulatory actions, litigation and contractual claims against the Company and its affiliates, including the potential settlement and litigation of such claims;
- the impact of any conflicts arising among the Company and CFI and its affiliates;
- the adequacy of the Company's cash reserves and working capital;
- increases in interest rates;
- the full extent of the impact and effects of the recent outbreak of coronavirus (COVID-19) on the future financial performance of the Company and its borrowers;
- the timing of cash flows, if any, from the Company's investments; and
- other risks associated with investing in the Company's targeted investments.

The foregoing list of factors is not exhaustive. Factors that could have a material adverse effect on our operations and future prospects are set forth in Item 1A. "Risk Factors" in this Annual Report on Form 10-K. The factors set forth in the Risk Factors section and described elsewhere in this Annual Report on Form 10-K could cause our actual results to differ significantly from those contained in any forward-looking statement contained in this Annual Report on Form 10-K.

Item 1. Business.

References herein to "Rodin Income Trust," "Company," "we," "us," or "our" refer to Rodin Income Trust, Inc., a Maryland corporation, and its subsidiaries unless the context specifically requires otherwise.

The Company is a Maryland corporation that has elected and qualified as a real estate investment trust ("REIT"), commencing with its 2019 tax year. The Company is externally managed by the Advisor, a Delaware limited liability company and wholly-owned subsidiary of the Company's sponsor, CFI. The Company intends to focus on originating mortgage and mezzanine loans secured mainly by commercial real estate located primarily in the U.S., United Kingdom, and other European Countries. The Company may also invest in commercial real estate securities and properties. Commercial real estate investments may include mortgage loans, subordinated mortgage and non-mortgage interests, including preferred equity investments and mezzanine loans, and participations in such instruments. Commercial real estate securities may include commercial mortgage-backed securities ("CMBS"), unsecured debt of publicly traded REITs, debt or equity securities of publicly traded real estate companies and structured notes.

The Company was incorporated in the State of Maryland on January 19, 2016.

The Company's consolidated financial statements include Rodin Income Trust Operating Partnership, L.P. (the "Operating Partnership"), RIT REIT Sub I, Inc. ("RIT REIT Sub I"), and RIT Lending, Inc. ("RIT Lending"). Both RIT REIT Sub I and RIT Lending are indirect wholly owned subsidiaries of the Company. The Company plans to own substantially all of its assets and conduct its operations through the Operating Partnership. The Company is the sole general partner and limited partner of the Operating Partnership and CFI's wholly owned subsidiary, Rodin Income Trust OP Holdings, LLC (the "Special Unit Holder"), is the sole special unit holder of the Operating Partnership.

The Company has registered with the SEC an offering of up to $1.25 billion in shares of common stock, consisting of up to $1.0 billion in shares in the Company's primary offering (the "Primary Offering") and up to $250 million in shares pursuant to its distribution reinvestment plan (the "DRP", and together with the Primary Offering, the "Offering").

On January 22, 2016, the Company was capitalized with a $200,001 investment by CFI. The Company's Registration Statement was declared effective by the SEC on May 2, 2018. On June 28, 2018, the Company satisfied the minimum offering requirement for the Offering (the "Minimum Offering Requirement") as a result of CFI's purchase of $2.0 million in Class I shares at $25.00 per share. As of March 23, 2021, the Company had sold 409,966 Class A shares, 211,202 Class T shares, and 175,633 Class I shares of common stock in the Primary Offering, as well as 8,372 Class A shares, 2,904 Class T shares, and 2,040 Class I shares in the DRP for aggregate net proceeds of $18,387,236. On April 20, 2020, the Company's board of directors authorized the extension of the term of the Offering until May 2, 2021.

The Company determines its net asset value as of the end of each quarter. Net Asset Value ("NAV"), as defined, is calculated consistent with the procedures set forth in the Company's prospectus and excludes any organization and offering ("O&O") expenses paid by the Advisor on the Company's behalf (other than selling commissions, dealer manager fees and distribution fees) ("O&O Costs"), with such costs to be reflected in the Company's NAV to the extent the Company reimburses the Advisor for these costs. The board of directors adjusts the offering prices of each class of shares such that the purchase price per share for each class equals the NAV per share as of the most recent valuation date, as determined on a quarterly basis, plus applicable upfront selling commissions and dealer manager fees, less the portion of selling commissions and all of the dealer manager fees paid by CFI ("Sponsor Support"), up to a total of 4.0% of gross offering proceeds from the sale of Class A shares and Class T shares, and up to a total of 1.5% of gross offering proceeds from the sale of Class I shares, incurred in connection with the Offering. The Company intends to publish any adjustment to the NAV and the corresponding adjustments to the offering prices of its shares ordinarily within 45 days after the end of the applicable fiscal quarter. As of December 31, 2020, the Company's NAV was $23.09 per Class A share, $23.07 per Class T share and $23.09 per Class I share. Effective February 15, 2021, the new offering price was $24.31 per Class A share, $23.54 per Class T share and $23.09 per Class I share. For further discussion of the Company's NAV calculation, please see "—Net Asset Value".

As of December 31, 2020, the Company had made the following investments (collectively, the "Investments"):

- The Company originated, through RIT Lending, an $18 million fixed rate mezzanine loan (the "Delshah Loan") to DS Brooklyn Portfolio Mezz LLC (the "Mezzanine Borrower"), an affiliate of Delshah Capital Limited ("Delshah"), for the acquisition of a 28-property multifamily portfolio by Delshah located in Brooklyn and Manhattan, NY (each a "Property" and collectively the "Portfolio"). Subsequent to the initial origination, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to a preferred equity interest (the "Delshah Preferred Equity Interest") in DS Brooklyn Portfolio Holdings LLC, the sole owner of the Mezzanine Borrower.
- The Company also originated, through RIT Lending, an $8.99 million floating-rate mezzanine loan (the "East 12th Street Loan"), to DS 531 E. 12th Mezz LLC (the "East 12th Street Mezzanine Borrower"), an affiliate of Delshah, for the acquisition of a multifamily property by Delshah located in Manhattan, NY (the "East 12th Street Property"). Approximately $6.83 million of the East 12th Street Loan was funded at closing. As of December 31, 2020, approximately $8.52 million of the East 12th Street Loan has been funded.

The Company has no direct employees and has retained the Advisor to manage its affairs on a day-to-day basis. The Advisor's responsibilities include, but are not limited to, providing real estate-related services, including services related to originating investments, negotiating financing, and providing property-level asset management services, property management services, leasing and construction oversight services and disposition services, as needed. The Advisor is a wholly owned subsidiary of CFI and therefore, the Advisor and CFI are related parties. The Advisor and its affiliates receive, as applicable, compensation, fees and expense reimbursements for services related to the investment and management of the Company's assets. Such affiliated entities receive fees, expense reimbursements, distributions (related to ownership of the Company's common stock) as well as other compensation during the offering, acquisition, operational and liquidation stages.

The Company is not aware of any material trends or uncertainties, favorable or unfavorable, other than national economic conditions affecting real estate generally, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from acquiring properties or real estate-related securities, other than those referred to in this Annual Report on Form 10-K.

Competition

We face competition from various entities for investment opportunities in properties, including other REITs, pension funds, insurance companies, investment funds and companies, partnerships and developers. In addition to third-party competitors, other programs sponsored by the Advisor and its affiliates, particularly those with investment strategies that overlap with ours, may seek investment opportunities that would be suitable for the Company. Many of these entities may have greater access to capital to acquire properties than we have.

Conflicts of Interests

Our Advisor faces conflicts of interest relating to performing services on our behalf and such conflicts may not be resolved in our favor, meaning that we could acquire less attractive assets, which could limit our ability to make distributions and reduce your overall investment return.

The Advisor is an indirect subsidiary of Cantor Fitzgerald, L.P. ("Cantor") and is organized to provide asset management and other services to us. Cantor controls Cantor Commercial Real Estate ("CCRE"), BGC Partners, Inc. ("BGC"), Newmark Group, Inc. ("Newmark"), Berkeley Point Financial LLC ("Berkeley Point"), and a number of other financial services businesses, including our dealer manager, Cantor Fitzgerald & Co. (the "Dealer Manager"), and sponsors another non-traded REIT, Cantor Fitzgerald Income Trust, Inc. ("CFIT), formerly known as Rodin Global Property Trust, Inc. (collectively, the "Cantor Companies").

We rely on the investment professionals of our Advisor and certain of its affiliates to identify suitable investment opportunities for our Company. Our investment strategy may overlap with some of the strategies of other Cantor Companies. CCRE is primarily in the business of originating and securitizing whole mortgage loans secured by commercial real estate. Newmark does not currently acquire properties or interests in real estate properties, however, through Berkeley Point, it originates multifamily loans distributed through the GSE programs of Fannie Mae and Freddie Mac, as well as through HUD programs. In addition, in the course of Newmark's business, it may generate fees from the referral of loan opportunities to third parties. The persons comprising CCRE's and Newmark's day to day management are different than our investment professionals. However, both lines of business are affiliates and are under common control by Cantor with our sponsor. Our sponsor also is the sponsor of CFIT, a non-traded REIT formed to invest in and manage a diversified portfolio of stabilized income-producing real-estate and debt secured by commercial real estate located primarily in the United States. No Cantor Company is restricted from competing with our business, whether by originating or acquiring loans that might be suitable for origination or acquisition by us, or by referring investment opportunities to third parties in exchange for fees. In addition, no Cantor Company is required to refer such opportunities to us. Investment opportunities sourced by the investment professionals of any Cantor Company not controlled by our sponsor, to the extent not pursued by such company, will be allocated by such company in its sole discretion. The investment professionals responsible for sourcing investments for the sponsor are generally different than the investment professionals responsible for sourcing investments for other Cantor Companies, and to the extent there is overlap, such investment professionals will first present suitable opportunities to our sponsor.

Item 1A. Risk Factors.

Summary Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, the following:

- The Company may not be to successfully raise capital in the Offering.
- The Company is dependent on the resources and personnel of the Advisor, CFI and their affiliates, including the Advisor's ability to source and close on attractive investment opportunities on the Company's behalf.
- The performance of the Advisor and CFI may affect the Company's performance.
- The Company may not be able to deploy capital quickly and successfully and achieve a diversified portfolio consistent with target asset classes.
- The Company may not have access to financing for its investments.
- The Company may not be able to make distributions to its stockholders and may make distributions from sources other than cash flow from operations. If the Company pays distributions from sources other than cash flows from operations, it will have less funds available for investment, the overall return to the Company's stockholders may be reduced and subsequent investors will experience dilution.
- There is a lack of a public trading market for the Company's shares.
- The Company's operating results will be affected by the impact of economic conditions on the borrowers, tenants and others who the Company depends on to make payments to it.
- The Advisor may not be able to attract and retain sufficient personnel to support growth and operations;
- The Company has limited operating history.
- The Company's operating results may be affected by the difficulties in economic conditions generally and the real estate, debt, and securities markets specifically.
- The Company may make changes in its business or investment strategy without stockholder approval.

- The Company’s results of operation may be affected by environmental compliance costs and liabilities.
- The Advisor’s due diligence may fail to identify all relevant facts in the Company’s underwriting process or otherwise.
- The Company’s performance will be subject to the impact of market and other conditions influencing the availability of equity versus debt investments and performance of the Company’s investments relative to its expectations and the impact on the actual return on invested equity, as well as the cash provided by these investments.
- The Company’s results of operations may be affected by borrower, tenant and other third party defaults and bankruptcies.
- The Company is subject to competition in the investments it makes.
- The Company’s performance is subject to the risks associated with using debt to fund the Company’s business activities, including re-financing and interest rate risks.
- The investments in the Company’s portfolio are illiquid.
- The Company’s risk management systems may not be effective.
- The Company’s business is subject to information technology risks, including capacity constraints, failures, or disruptions in the Company’s systems or those of parties with which the Company interacts, including cybersecurity risks and incidents, privacy risk and exposure to potential liability and regulatory focus.
- The Company may not be able to realize current and expected returns over the life of its investments.
- The Company may not be able to maintain effective internal controls.
- The Company’s business may be affected by regulatory requirements with respect to the Company’s business, as well as the related cost of compliance.
- The Company may fail to qualify or maintain its qualification as a REIT for U.S. federal income tax purposes and is subject to limitations imposed on the Company’s business by its status as a REIT.
- The current outbreak of the novel coronavirus, or COVID-19, could adversely impact or cause disruption to the Company’s financial condition and results of operations.
- The Company’s business may be affected by changes in laws or regulations governing various aspects of the Company’s business and non-traded REITs generally, including, but not limited to, changes implemented by the Department of Labor, the SEC, or FINRA and changes to laws governing the taxation of REITs.
- The Company may not be able to maintain its exemption from registration under the Investment Company Act.
- The Company’s performance may be affected by general volatility in domestic and international capital markets and economies.
- The Company’s performance may be affected by regulatory actions, litigation and contractual claims against the Company and its affiliates, including the potential settlement and litigation of such claims.
- There may be conflicts of interests arising among the Company and CFI and its affiliates.
- The Company’s cash reserves and working capital may not be adequate.
- The Company’s performance may be affected by increases in interest rates.
- The Company’s operating performance may be affected by timing of cash flows, if any, from the Company’s investments.
- The Company’s performance is subject to other risks associated with investing in the Company’s targeted investments.

You should specifically consider the following material risks in addition to the other information contained in this Annual Report on Form 10-K. The occurrence of any of the following risks might have a material adverse effect on our business and financial condition. The risks and uncertainties discussed below are not only ones we face, but do represent those risks and uncertainties that we believe are most significant to our business, operating results, financial condition, prospects and forward-looking statements.

Risks Related to Our Investments

Our investments will be subject to the risks typically associated with real estate.

We intend to invest in a diverse portfolio of real estate-related loans, real estate-related securities and other real estate-related investments. Each of these investments will be subject to the risks typically associated with real estate. Our loans held for investment will generally be directly or indirectly secured by a lien on real property (or the equity interests in an entity that owns real property) that, upon the occurrence of a default on the loan, could result in our acquiring ownership of the property. We will not know whether the values of the properties ultimately securing our loans will remain at the levels existing on the dates of origination or acquisition of those loans. If the values of the underlying properties drop, our risk will increase because of the lower value of the security associated with such loans. In this manner, real estate values could impact the values of our loan investments. Our investments in residential and commercial mortgage-backed securities, collateralized debt obligations and other real estate-related investments may be similarly affected by real estate property values. The value of real estate may be adversely affected by a number of risks, including:

- natural disasters such as hurricanes, earthquakes and floods;
- acts of war or terrorism, including the consequences of terrorist attacks, such as those that occurred on September 11, 2001;
- an oversupply of (or a reduction in demand for) space in the areas where particular properties are located and the attractiveness of particular properties to prospective tenants;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance therewith and the potential for liability under applicable laws;
- costs of remediation and liabilities associated with environmental conditions affecting properties;
- the potential for uninsured or underinsured property losses; and
- periods of high interest rates and tight money supply.

The value of each property is affected significantly by its ability to generate cash flow and net income, which in turn depends on the amount of rental or other income that can be generated net of expenses required to be incurred with respect to the property. Many expenditures associated with properties (such as operating expenses and capital expenditure) cannot be reduced when there is a reduction in income from the properties. These factors may have a material adverse effect on the ability of our borrowers to pay their loans and our tenants to pay their rent, as well as on the value that we can realize from other real estate-type interests we originate, own or acquire.

Although the U.S. real estate market has substantially recovered from the recession, real estate returns may lose momentum which could have a negative impact on the performance of our investment portfolio.

The ongoing competition for high quality real estate assets and resulting upward pressure on pricing may reduce anticipated returns. Furthermore, economic growth remains fragile, and could be slowed or halted by significant external events. A negative shock to the economy could result in reduced tenant demand, higher tenancy default and rising vacancy rates. There can be no assurance that our real estate investments will not be adversely affected by a severe slowing of the economy or renewed recession. Tenant defaults, fluctuations in interest rates, limited availability of capital and other economic conditions beyond our control could negatively affect our portfolio, and decrease the value of our investments.

The commercial real estate industry has been and may continue to be adversely affected by economic conditions in the United States and the global financial markets generally.

Our business and operations are dependent on the commercial real estate industry generally, which in turn is dependent upon broad economic conditions in the United States and abroad. A worsening of economic conditions would likely have a negative impact on the commercial real estate industry generally and on our business and operations specifically. Additionally, disruptions in the global economy, whether as a result of recent economic conditions in China and the Euro-zone, ongoing epidemics of infectious disease (including COVID-19), regional conflict or otherwise, may also have a negative impact on the commercial real estate market domestically. Adverse conditions in the commercial real estate industry could harm our business and financial condition by, among other factors, reducing the value of our existing assets, limiting our access to debt and equity capital, harming our ability to originate new commercial real estate debt and otherwise negatively impacting our operations.

The current outbreak of the novel coronavirus, or COVID-19, or the future outbreak of any other highly infectious or contagious diseases, could adversely impact or cause disruption to our financial condition and results of operations. Further, the spread of the COVID-19 outbreak could cause severe disruptions in the U.S. and global economy, may further disrupt financial markets and could potentially create widespread business continuity issues.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in Wuhan, China. COVID-19 has since spread to over 100 countries, including the United States. COVID-19 has also spread to every state in the United States. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to COVID-19.

The potential impact and duration of COVID-19 or another pandemic could have repercussions across regional and global economies and financial markets. The outbreak of COVID-19 in many countries continues to adversely impact global economic activity and has contributed to significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and, as cases of the virus have continued to be identified in additional countries, many countries, including the United States, have reacted by instituting quarantines and restrictions on travel.

Most of the states, including among others, the state of New York (where the properties underlying our three investments are located), have also reacted by instituting quarantines, restrictions on travel, "shelter in place" rules, restrictions on types of business that may continue to operate, and/or restrictions on types of construction projects that may continue. Although some of the restrictions have been recently lifted in certain states and counties, a number of the restrictions remain in place across jurisdictions and additional restrictions may be continued to be imposed or re-imposed in the future.

We are at the greatest risk of these valuation changes during periods where we experience significant loan prepayments, delayed maturity payments, or significant changes in credit markets, including as a result of the current outbreak of COVID-19. The COVID-19 outbreak, and future pandemics, could have a significant adverse impact on economic and market conditions of economies around the world, including the United States, and trigger a period of global economic slowdown or global recession.

The effects of COVID-19 or another pandemic on our, our borrowers' and their tenants' ability to successfully operate could be adversely impacted due to, among other factors:

- the continued service and availability of personnel, including executive officers and other leaders that are part of the management team and the ability to recruit, attract and retain skilled personnel—to the extent management or personnel are impacted in significant numbers by the outbreak of pandemic or epidemic disease and are not available or allowed to conduct work, business and operating results may be negatively impacted;
- difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our, our borrowers or their tenants' ability to access capital necessary to fund business operations or replace or renew maturing liabilities on a timely basis, and may adversely affect the valuation of financial assets and liabilities, any of which could affect our ability to meet liquidity and capital expenditure requirements or have a material adverse effect on our business, financial condition, results of operations and cash flows;
- ability to operate or operate in affected areas, or delays in the supply of products or services from the vendors that are needed to operate effectively;
- tenants' ability to pay rent on their leases or our borrowers' ability to lease space in their properties on favorable terms;
- our ability to ensure business continuity in the event our continuity of operations plan is not effective or improperly implemented or deployed during a disruption; and
- our ability to operate, which may cause our business and operating results to decline or impact our ability to comply with regulatory obligations leading to reputational harm and regulatory issues or fines.

The rapid development and fluidity of this situation precludes any prediction as to the ultimate impact of COVID-19. The full extent of the impact and effects of COVID-19 on the future financial performance of the Company, as a whole, and, specifically, on our loan investments and underlying borrowers and their real estate property holdings are uncertain at this time. The impact will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories and restrictions, the recovery time of the disrupted supply chains, the consequential staff shortages, and production delays, and the uncertainty with respect to the accessibility of additional liquidity or to the capital markets. COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our performance, financial condition, results of operations and cash flows.

Challenging economic and financial market conditions could significantly reduce the amount of income we earn on our commercial real estate investments and further reduce the value of our investments.

Challenging economic and financial market conditions may cause us to experience an increase in the number of commercial real estate investments that result in losses, including delinquencies, non-performing assets and taking title to collateral and a decrease in the value of the property or other collateral which secures our investments, all of which could adversely affect our results of operations. We may incur substantial losses and need to establish significant provision for losses or impairment. Our revenue from investments could diminish significantly.

Any investments in real estate-related loans and real estate-related securities in distressed debt will involve more risk than in performing debt.

Distressed debt may include sub- and non-performing real estate loans acquired from financial institutions and performing loans acquired from distressed sellers.

Traditional performance metrics of real estate-related loans are generally not meaningful for non-performing real estate-related loans. Similarly, non-performing loans do not have a consistent stream of loan servicing or interest payments to provide a useful measure of revenue. In addition, for non-performing loans, often there is no expectation that the face amount of the note will be paid in full. Appraisals may provide a sense of the value of the investment, but any appraisal of the property or underlying property will be based on numerous estimates, judgments and assumptions that significantly affect the appraised value of the underlying property. Properties securing non-performing loan investments are typically non-stabilized or otherwise not performing optimally. An appraisal of such a property involves a high degree of subjectivity due to high vacancy levels and uncertainties with respect to future market rental rates and timing of lease-up and stabilization. Accordingly, different assumptions may materially change the appraised value of the property. In addition, the value of the property will change over time.

In addition, we may pursue more than one strategy to create value in a non-performing loan. These strategies may include negotiating with the borrower for a reduced payoff, restructuring the terms of the loan or enforcing our rights as lender under the loan and foreclosing on the collateral securing the loan.

The factors described above make it challenging to evaluate non-performing loans and make investments in such loans riskier than investments in performing debt.

Any investments we make in CMBS and other similar structured finance investments would pose additional risks, including the risks of the securitization process and the risk that any special servicer may take actions that could adversely affect our interests.

We may from time to time invest in CMBS and other similar securities, which are subordinated classes of securities in a structure of securities secured by a pool of mortgages or loans. Accordingly, such securities are the first or among the first to bear the loss upon a restructuring or liquidation of the underlying collateral and the last to receive payment of interest and principal. Thus, there is generally only a nominal amount of equity or other debt securities junior to such positions, if any, issued in such structures. The estimated fair values of such subordinated interests tend to be much more sensitive to adverse economic downturns and underlying borrower developments than more senior securities. A projection of an economic downturn, for example, could cause a decline in the price of lower credit quality CMBS because the ability of borrowers to make principal and interest payments on the mortgages or loans underlying such securities may be impaired, as has occurred throughout the recent economic recession and weak recovery.

Subordinate interests such as CLOs, CDOs and similar structured finance investments generally are not actively traded and are relatively illiquid investments and volatility in CLO and CDO trading markets may cause the value of these investments to decline. In addition, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral value is available to satisfy interest and principal payments and any other fees in connection with the trust or other conduit arrangement for such securities, we may incur significant losses.

With respect to the CMBS in which we may invest, control over the of the related underlying loans will be exercised through a special servicer or collateral manager designated by a “directing certificateholder” or a “controlling class representative,” or otherwise pursuant to the related securitization documents. We may acquire classes of CMBS, for which we may not have the right to appoint the directing certificateholder or otherwise direct the special servicing or collateral management. With respect to the management and servicing of those loans, the related special servicer or collateral manager may take actions that could adversely affect our interests.

We depend on borrowers and tenants for a substantial portion of our revenue and, accordingly, our revenue and our ability to make distributions to you will be dependent upon the success and economic viability of such borrowers and tenants.

The success of our origination or acquisition of investments significantly depends on the financial stability of the borrowers and tenants underlying such investments. The inability of a single major borrower or tenant, or a number of smaller borrowers or tenants, to meet their payment obligations could result in reduced revenue or losses.

Lease defaults, terminations or landlord-tenant disputes may reduce our income from our real estate investments.

The creditworthiness of tenants in our real estate investments has been, or could become, negatively impacted as a result of challenging economic conditions or otherwise, which could result in their inability to meet the terms of their leases. Lease defaults or terminations by one or more tenants may reduce our revenues unless a default is cured or a suitable replacement tenant is found promptly. In addition, disputes may arise between the landlord and tenant that result in the tenant withholding rent payments, possibly for an extended period. These disputes may lead to litigation or other legal procedures to secure payment of the rent withheld or to evict the tenant. Upon a lease default, we may have limited remedies, be unable to accelerate lease payments and have limited or no recourse against a guarantor. Tenants as well as guarantors may have limited or no ability to satisfy any judgments we may obtain. We may also have duties to mitigate our losses and we may not be successful in that regard. Any of these situations may result in extended periods during which there is a significant decline in revenues or no revenues generated by a property. If this occurred, it could adversely affect our results of operations.

Risks Related to Our Commercial Real Estate Debt and Securities

The commercial real estate debt we originate and invest in and the commercial real estate loans underlying the commercial real estate securities we invest in could be subject to delinquency, foreclosure and loss, which could result in losses to us.

Commercial real estate loans are secured by commercial real estate and are subject to risks of delinquency, foreclosure, loss and bankruptcy of the borrower, all of which are and will continue to be prevalent if the overall economic environment does not continue to improve. The ability of a borrower to repay a loan secured by commercial real estate is typically dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced or is not increased, depending on the borrower's business plan, the borrower's ability to repay the loan may be impaired. Net operating income of a property can be affected by each of the following factors, among other things:

- macroeconomic and local economic conditions;
- tenant mix;
- success of tenant businesses;
- property location and condition;
- property operating costs, including insurance premiums, real estate taxes and maintenance costs;
- competition from comparable types of properties;
- effects on a particular industry applicable to the property, such as hotel vacancy rates;
- changes in governmental rules, regulations and fiscal policies, including environmental legislation;
- changes in laws that increase operating expenses or limit rents that may be charged;
- changes in tax laws;
- any need to address environmental contamination at the property;
- the occurrence of any uninsured casualty at the property;
- changes in national, regional or local economic conditions and/or specific industry segments;
- declines in regional or local real estate values;
- branding, marketing and operational strategies;
- declines in regional or local rental or occupancy rates;
- increases in interest rates;
- real estate tax rates and other operating expenses;
- acts of God;
- social unrest and civil disturbances;
- ongoing epidemics of infectious disease (including COVID-19);
- terrorism; and
- increases in costs associated with renovation and/or construction.

Any one or a combination of these factors may cause a borrower to default on a loan or to declare bankruptcy. If a default or bankruptcy occurs and the underlying asset value is less than the loan amount, we will suffer a loss.

In the event of any default under a commercial real estate loan held directly by us, we will bear a risk of loss of principal or accrued interest to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the commercial real estate loan, which could have a material adverse effect on our cash flow from operations. In the event of a default by a borrower on a non-recourse commercial real estate loan, we will only have recourse to the underlying asset (including any escrowed funds and reserves) collateralizing the commercial real estate loan. If a borrower defaults on one of our commercial real estate investments and the underlying property collateralizing the commercial real estate debt is insufficient to satisfy the outstanding balance of the debt, we may suffer a loss of principal or interest. In addition, even if we have recourse to a borrower's assets, we may not have full recourse to such assets in the event of a borrower bankruptcy as the loan to such borrower will be deemed to be secured only to the extent of the value of the mortgaged property at the time of bankruptcy (as determined by the bankruptcy court) and the lien securing the loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. We are also exposed to these risks though the commercial real estate loans underlying a commercial real estate security we hold, which may result in us not recovering a portion or all of our investment in such commercial real estate security.

The B Notes in which we may invest may be subject to additional risks relating to the privately negotiated structure and terms of the transaction, which may result in losses to us.

We may invest in B Notes. A B Note is a mortgage loan typically (i) secured by a first mortgage on a single large commercial property or group of related properties and (ii) subordinated to an A Note secured by the same first mortgage on the same collateral. As a result, if a borrower defaults, there may not be sufficient funds remaining for B Note holders after payment to the A Note holders. Since each transaction is privately negotiated, B Notes can vary in their structural characteristics and risks. For example, the rights of holders of B Notes to control the process following a borrower default may be limited in certain investments. We cannot predict the terms of each B Note investment. Further, B Notes typically are secured by a single property, and so reflect the increased risks associated with a single property compared to a pool of properties.

The mezzanine loans which we may originate or in which we may invest would involve greater risks of loss than senior loans secured by the same properties.

We have and may continue to originate or invest in mezzanine loans that take the form of subordinated loans secured by a pledge of the ownership interests of the entity owning the real property or an entity that owns (directly or indirectly) the interest in the entity owning the real property. These types of investments may involve a higher degree of risk than long-term senior mortgage lending secured by income-producing real property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, we may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy our mezzanine loan. If a borrower defaults on our mezzanine loan or debt senior to our loan, or in the event of a borrower bankruptcy, our mezzanine loan will be satisfied only after the senior debt. As a result, we may not recover some or all of our investment. In addition, mezzanine loans may have higher loan-to-value ratios than conventional mortgage loans, resulting in less equity in the real property and increasing the risk of loss of principal.

Transitional mortgage loans may involve a greater risk of loss than conventional mortgage loans.

We may provide transitional mortgage loans secured by mortgages on properties to borrowers who are typically seeking short-term capital to be used in an acquisition, development or refinancing of real estate. The borrower may have identified an undervalued asset that has been undermanaged or is located in a recovering market. If the market in which the asset is located fails to recover according to the borrower's projections, or if the borrower fails to improve the quality of the asset's management or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the transitional mortgage loan, and we may not recover some or all of our investment.

In addition, owners usually borrow funds under a conventional mortgage loan to repay a transitional mortgage loan. We may, therefore, be dependent on a borrower's ability to obtain permanent financing to repay our transitional mortgage loan, which could depend on market conditions and other factors. Transitional mortgage loans are also subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard hazard insurance. In the event of any default under transitional mortgage loans held by us, we bear the risk of loss of principal and nonpayment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount of the transitional mortgage loan. To the extent we suffer such losses with respect to our investments in transitional mortgage loans, the value of our company and of our common stock may be adversely affected.

Investment in non-conforming and non-investment grade loans may involve increased risk of loss.

Loans we may acquire or originate may not conform to conventional loan criteria applied by traditional lenders and may not be rated or may be rated as non-investment grade. Non-investment grade ratings for these loans typically result from the overall leverage of the loans, the lack of a strong operating history for the properties underlying the loans, the borrowers' credit history, the properties' underlying cash flow or other factors. As a result, non-conforming and non-investment grade loans we acquire or originate may have a higher risk of default and loss than conventional loans. Any loss we incur may reduce distributions to stockholders and adversely affect the value of our common stock.

Our investments in subordinated loans and subordinated commercial mortgage-backed securities may be subject to losses.

We intend to acquire or originate subordinated loans and may invest in subordinated commercial mortgage-backed securities. In the event a borrower defaults on a subordinated loan and lacks sufficient assets to satisfy our loan, we may suffer a loss of principal or interest. In the event a borrower declares bankruptcy, we may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. If a borrower defaults on our loan or on debt senior to our loan, or in the event of a borrower bankruptcy, our loan will be satisfied only after the senior debt is paid in full. Where debt senior to our loan exists, the presence of intercreditor arrangements may limit our ability to amend our loan documents, assign our loans, accept prepayments, exercise our remedies (through "standstill periods"), and control decisions made in bankruptcy proceedings relating to borrowers.

In general, losses on a mortgage loan included in a securitization will be borne first by the equity holder of the property, then by a cash reserve fund or letter of credit, if any, and then by the "first loss" subordinated security holder. In the event of default and the exhaustion of any equity support, reserve fund, letter of credit and any classes of securities junior to those in which we invest, we may not be able to recover all of our investment in the securities we purchase. In addition, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral is available to satisfy interest and principal payments due on the related residential and commercial mortgage-backed securities, the securities in which we invest may effectively become the "first loss" position behind the more senior securities, which may result in significant losses to us.

Construction loans involve a high risk of loss if we are unsuccessful in raising the unfunded portion of the loan or if a borrower otherwise fails to complete the construction of a project. Land loans and pre-development loans involve similarly high risks of loss if construction financing cannot be obtained.

We may invest in construction loans. If we are unsuccessful in raising the unfunded portion of a construction loan, there could be adverse consequences associated with the loan, including a loss of the value of the property securing the loan if the construction is not completed and the borrower is unable to raise funds to complete it from other sources; a borrower claim against us for failure to perform under the loan documents; increased costs to the borrower that the borrower is unable to pay; a bankruptcy filing by the borrower; and abandonment by the borrower of the collateral for the loan. Further, other non-cash flowing assets such as land loans and pre-development loans may fail to qualify for construction financing and may need to be liquidated based on the "as-is" value as opposed to a valuation based on the ability to construct certain real property improvements. The occurrence of such events may have a negative impact on our results of operations. Other loan types may also include unfunded future obligations that could present similar risks.

Risks of cost overruns and non-completion of the construction or renovation of the properties underlying loans we make or acquire may materially and adversely affect our investment.

The renovation, refurbishment or expansion by a borrower under a mortgaged property involves risks of cost overruns and non-completion. Costs of construction or improvements to bring a property up to standards established for the market position intended for that property may exceed original estimates, possibly making a project uneconomical. Other risks may include environmental risks and the possibility of construction, rehabilitation and subsequent leasing of the property not being completed on schedule. If such construction or renovation is not completed in a timely manner, or if it costs more than expected, the borrower may experience a prolonged impairment of net operating income and may not be able to make payments on our investment.

Investments that are not United States government insured involve risk of loss.

We expect to originate and acquire uninsured loans and assets as part of our investment strategy. Such loans and assets may include mortgage and mezzanine loans. While holding such interests, we are subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard hazard insurance. In the event of any default under loans, we bear the risk of loss of principal and nonpayment of interest and fees to the extent of any deficiency between the value of the collateral and the principal amount of the loan. To the extent we suffer such losses with respect to our investments in such loans, the value of our company and the price of our common stock may be adversely affected.

The CMBS in which we may invest are subject to the risks of the mortgage securities market as a whole and risks of the securitization process.

The value of commercial mortgage-backed securities may change due to shifts in the market's perception of issuers and regulatory or tax changes adversely affecting the mortgage securities market as a whole. Commercial mortgage-backed securities are also subject to several risks created through the securitization process. Subordinate commercial mortgage-backed securities are paid interest only to the extent that there are funds available to make payments. To the extent the collateral pool includes delinquent loans, there is a risk that the interest payment on subordinate residential and commercial mortgage-backed securities will not be fully paid. Subordinate residential and commercial mortgage-backed securities are also subject to greater credit risk than those residential and commercial mortgage-backed securities that are more highly rated.

Interest rate fluctuations could increase our financing costs and reduce our ability to generate income on our investments, either of which could lead to a significant decrease in our results of operations and cash flows and the market value of our investments.

Our primary interest rate exposures will relate to the yield on our investments and the financing cost of our debt, as well as our interest rate swaps that we utilize for hedging purposes. Changes in interest rates will affect our net interest income, which is the difference between the interest income we earn on our interest-earning investments and the interest expense we incur in financing these investments. Interest rate fluctuations resulting in our interest expense exceeding interest income would result in operating losses for us. Changes in the level of interest rates also may affect our ability to invest in investments, the value of our investments and our ability to realize gains from the disposition of investments. Changes in interest rates may also affect borrower default rates.

To the extent that our financing costs will be determined by reference to floating rates, such as LIBOR or a Treasury index, plus a margin, the amount of such costs will depend on a variety of factors, including, without limitation, (a) for collateralized debt, the value and liquidity of the collateral, and for non-collateralized debt, our credit, (b) the level and movement of interest rates, and (c) general market conditions and liquidity. In a period of rising interest rates, our interest expense on floating rate debt would increase, while any additional interest income we earn on our floating rate investments may not compensate for such increase in interest expense. At the same time, the interest income we earn on our fixed-rate investments would not change, the duration and weighted average life of our fixed-rate investments would increase and the market value of our fixed-rate investments would decrease. Similarly, in a period of declining interest rates, our interest income on floating-rate investments would decrease, while any decrease in the interest we are charged on our floating-rate debt may not compensate for such decrease in interest income and interest we are charged on our fixed-rate debt would not change. Any such scenario could materially and adversely affect us.

Our operating results will depend, in part, on differences between the income earned on our investments, net of credit losses, and our financing costs. For any period during which our investments are not match-funded, the income earned on such investments may respond more slowly to interest rate fluctuations than the cost of our borrowings. Consequently, changes in interest rates, particularly short-term interest rates, may immediately and significantly decrease our results of operations and cash flows and the market value of our investments.

Changes in banks' inter-bank lending rate reporting practices or the method pursuant to which LIBOR is determined may adversely affect the value of the financial obligations to be held or issued by us that are linked to LIBOR.

LIBOR and other indices which are deemed "benchmarks" are the subject of recent national, international, and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or have other consequences which cannot be predicted. It currently appears that, over time, U.S. Dollar LIBOR may be replaced by the Secured Overnight Financing Rate ("SOFR") published by the Federal Reserve Bank of New York. However, the manner and timing of this shift is currently unknown. Market participants are still considering how various types of financial instruments and securitization vehicles should react to a discontinuation of LIBOR. It is possible that not all of our assets and liabilities will transition away from LIBOR at the same time, and it is possible that not all of our assets and liabilities will transition to the same alternative reference rate, in each case increasing the difficulty of hedging. For example, switching existing financial instruments and hedging transactions from LIBOR to SOFR requires calculations of a spread. Industry organizations are attempting to structure the spread calculation in a manner that minimizes the possibility of value transfer between counterparties, borrowers, and lenders by virtue of the transition, but there is no assurance that the calculated spread will be fair and accurate or that all asset types and all types of securitization vehicles will use the same spread. The Company and other market participants have less experience understanding and modeling SOFR-based assets and liabilities than LIBOR-based assets and liabilities, increasing the difficulty of investing, hedging, and risk management. The process of transition involves operational risks. It is also possible that no transition will occur for many financial instruments. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR that may be implemented. Uncertainty as to the nature of such potential changes, alternative reference rates or other reforms may adversely affect the market for or value of any securities on which the interest or dividend is determined by reference to LIBOR, loans, derivatives and other financial obligations or on our overall financial condition or results of operations. More generally, any of the above changes or any other consequential changes to LIBOR or any other "benchmark" as a result of international, national or other proposals for reform or other initiatives, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the value of and return on any securities based on or linked to a "benchmark."

Prepayments can adversely affect the yields on our investments.

In the case of residential mortgage loans, there are seldom any restrictions on borrowers' abilities to prepay their loans. Homeowners tend to prepay mortgage loans faster when interest rates decline. Consequently, owners of the loans may reinvest the money received from the prepayments at the lower prevailing interest rates. Conversely, homeowners tend not to prepay mortgage loans when interest rates increase. Consequently, owners of the loans are unable to reinvest money that would have otherwise been received from prepayments at the higher prevailing interest rates. This volatility in prepayment rates may affect our ability to maintain targeted amounts of leverage to the extent that we have a portfolio of residential mortgage-backed security ("RMBS") and may result in reduced earnings or losses for us and negatively affect the cash available for distribution to our stockholders.

The yield of our other assets may be affected by the rate of prepayments. Prepayments on debt instruments, where permitted under the debt documents, are influenced by changes in current interest rates and a variety of economic, geographic and other factors beyond our control, and consequently, such prepayment rates cannot be predicted with certainty. If we are unable to invest the proceeds of any prepayments we receive in assets with at least an equivalent yield, the yield on our portfolio will decline. In addition, we may acquire assets at a discount or premium and if the asset does not repay when expected, our anticipated yield may be impacted. Under certain interest rate and prepayment scenarios we may fail to recoup fully our cost of acquisition of certain investments.

If credit spreads widen before we obtain long-term financing for our assets, the value of our assets may suffer.

We will price our assets based on our assumptions about future credit spreads for financing of those assets. We expect to obtain longer-term financing for our assets using structured financing techniques in the future. In such financings, interest rates are typically set at a spread over a certain benchmark, such as the yield on United States Treasury obligations, swaps, or LIBOR. If the spread that borrowers will pay over the benchmark widens and the rates we charge on our assets to be securitized are not increased accordingly, our income may be reduced or we may suffer losses.

Hedging against interest rate exposure may adversely affect our earnings, limit our gains or result in losses, which could adversely affect cash available for distribution to our stockholders.

We may enter into interest rate swap agreements or pursue other interest rate hedging strategies. Our hedging activity will vary in scope based on the level of interest rates, the type of portfolio investments held, and other changing market conditions. Interest rate hedging may fail to protect or could adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability or asset;
- the amount of income that a REIT may earn from hedging transactions to offset interest rate losses is limited by federal tax provisions governing REITs;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the party owing money in the hedging transaction may default on its obligation to pay; and
- we may purchase a hedge that turns out not to be necessary, i.e., a hedge that is out of the money.

Any hedging activity we engage in may adversely affect our earnings, which could adversely affect cash available for distribution to our stockholders. Therefore, while we may enter into such transactions to seek to reduce interest rate risks, unanticipated changes in interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged or liabilities being hedged may vary materially. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended accounting treatment and may expose us to risk of loss.

Hedging instruments often are not traded on regulated exchanges, guaranteed by an exchange or its clearing house, or regulated by any U.S. or foreign governmental authorities and involve risks and costs.

The cost of using hedging instruments increases as the period covered by the instrument increases and during periods of rising and volatile interest rates. We may increase our hedging activity and thus increase our hedging costs during periods when interest rates are volatile or rising and hedging costs have increased. In addition, hedging instruments involve risk since they often are not traded on regulated exchanges, guaranteed by an exchange or its clearing house, or regulated by any U.S. or foreign governmental authorities. Consequently, there are no requirements with respect to record keeping, financial responsibility or segregation of customer funds and positions. Furthermore, the enforceability of agreements underlying derivative transactions may depend on compliance with applicable statutory, commodity and other regulatory requirements and, depending on the identity of the counterparty, applicable international requirements. The business failure of a hedging counterparty with whom we enter into a hedging transaction will most likely result in a default. Default by a party with whom we enter into a hedging transaction may result in the loss of unrealized profits and force us to cover our resale commitments, if any, at the then current market price. Although generally we will seek to reserve the right to terminate our hedging positions, it may not always be possible to dispose of or close out a hedging position without the consent of the hedging counterparty, and we may not be able to enter into an offsetting contract in order to cover our risk. We cannot be certain that a liquid secondary market will exist for hedging instruments purchased or sold, and we may be required to maintain a position until exercise or expiration, which could result in losses.

Political changes may affect the real estate debt markets.

The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The current U.S. President has a legislative agenda that includes certain deregulatory measures for the U.S. financial services industry, including changes to the Volcker Rule, capital and risk retention requirements, the Financial Stability Oversight Council’s authority and other aspects of the Dodd-Frank Act. The U.S. Department of the Treasury has issued a series of recommendations in several reports for streamlining banking regulation and changing key features of the Dodd-Frank Act and other measures taken by regulators following the 2008 financial crisis.

The outcome of the congressional and other elections creates uncertainty with respect to legal, tax and regulatory regimes in which the Company and the Company’s investments, as well as the Advisor and its affiliates, will operate. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the investment management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on the Company and the Company’s investments.

Our investments in debt securities and preferred and common equity securities will be subject to the specific risks relating to the particular issuer of the securities and may involve greater risk of loss than secured debt financings.

Our investments in debt securities and preferred and common equity securities will involve special risks relating to the particular issuer of the securities, including the financial condition and business outlook of the issuer. Issuers that are REITs and other real estate companies are subject to the inherent risks associated with real estate and real estate-related investments. Issuers that are debt finance companies are subject to the inherent risks associated with structured financing investments also discussed in this annual report. Furthermore, debt securities and preferred and common equity securities may involve greater risk of loss than secured debt financings due to a variety of factors, including that such investments are generally unsecured and may also be subordinated to other obligations of the issuer. As a result, investments in debt securities and preferred and common equity securities are subject to risks of (i) limited liquidity in the secondary trading market, (ii) substantial market price volatility resulting from changes in prevailing interest rates, (iii) subordination to the senior claims of banks and other lenders to the issuer, (iv) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause the issuer to reinvest redemption proceeds in lower yielding assets, (v) the possibility that earnings of the issuer may be insufficient to meet its debt service and distribution obligations and (vi) the declining creditworthiness and potential for insolvency of the issuer during periods of rising interest rates and economic downturn. These risks may adversely affect the value of outstanding debt securities and preferred and common equity securities and the ability of the issuers thereof to make principal, interest and/or distribution payments to us.

International investments may be subject to additional risks.

We may make or purchase mortgage, mezzanine or other loans or participations in mortgage, mezzanine or other loans made by a borrower located in non-U.S. markets secured by property located in non-U.S. markets. These investments may be affected by factors peculiar to the laws of the jurisdiction in which the borrower or the property is located. These laws may expose us to risks that are different from and in addition to those commonly found in the United States. Foreign investments could be subject to the following risks:

- governmental laws, rules and policies including laws relating to the foreign ownership of real property or mortgages and laws relating to the ability of foreign persons or corporations to remove profits earned from activities within the country to the person's or corporation's country of origin;
- variations in currency exchange rates;
- adverse market conditions caused by inflation or other changes in national or local economic conditions;
- changes in relative interest rates;
- changes in the availability, cost and terms of mortgage funds resulting from varying national economic policies;
- changes in real estate and other tax rates, the tax treatment of transaction structures and other changes in operating expenses in a particular country where we have an investment;
- our REIT tax status not being respected under foreign laws, in which case any income or gains from foreign sources would likely be subject to foreign taxes, withholding taxes, transfer taxes, and value added taxes;
- lack of uniform accounting standards (including availability of information in accordance with U.S. generally accepted accounting principles);
- changes in land use and zoning laws;
- more stringent environmental laws or changes in such laws;
- changes in the social stability or other political, economic or diplomatic developments in or affecting a country where we have an investment;
- we, our sponsor and its affiliates have relatively less experience with respect to investing in real property or other investments in Europe as compared to domestic investments; and
- legal and logistical barriers to enforcing our contractual rights.

Any of these risks could have an adverse effect on our business, results of operations and ability to pay distributions to our stockholders.

Investments in properties or other real estate investments outside the United States subject us to foreign currency risks, which may adversely affect distributions and our REIT status.

Revenues generated from any properties or other real estate investments we acquire or ventures we enter into relating to transactions involving assets located in markets outside the United States likely will be denominated in the local currency. Therefore, any investments we make outside the United States may subject us to foreign currency risk due to potential fluctuations in exchange rates between foreign currencies and the U.S. dollar. As a result, changes in exchange rates of any such foreign currency to U.S. dollars may affect our revenues, operating margins and distributions and may also affect the book value of our assets and the amount of stockholders' equity.

Changes in foreign currency exchange rates used to value a REIT's foreign assets may be considered changes in the value of the REIT's assets. These changes may adversely affect our status as a REIT. Further, bank accounts in foreign currency which are not considered cash or cash equivalents may adversely affect our status as a REIT.

Our dependence on the management of other entities in which we invest may adversely affect our business.

We will not control the management, investment decisions or operations of the companies in which we may invest. Management of those enterprises may decide to change the nature of their assets, or management may otherwise change in a manner that is not satisfactory to us. We will have no ability to affect these management decisions and we may have only limited ability to dispose of our investments.

Many of our investments will be illiquid and we may not be able to vary our portfolio in response to changes in economic and other conditions.

Certain of the securities that we may purchase in connection with privately negotiated transactions will not be registered under the relevant securities laws, resulting in a prohibition against their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise in accordance with, those laws. Some of the residential and commercial mortgage-backed securities that we may purchase may be traded in private, unregistered transactions and are therefore subject to restrictions on resale or otherwise have no established trading market. The mezzanine loans we may purchase will be particularly illiquid investments due to their short life, their unsuitability for securitization and the greater difficulty of recoupment in the event of a borrower's default. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited.

Some of our investments will be carried at an estimated fair value and we will be required to disclose the fair value of other investments quarterly. The estimated fair value will be determined by us and, as a result, there may be uncertainty as to the value of these investments.

Some of our investments will be in the form of securities that are recorded at fair value but that have limited liquidity or are not publicly traded. In addition, we must disclose the fair value of our investments in loans each quarter. Such estimates are inherently uncertain. The fair value of securities and other investments, including loans that have limited liquidity or are not publicly traded, may not be readily determinable. We will estimate the fair value of these investments on a quarterly basis. Because such valuations are inherently uncertain, may fluctuate over short periods of time and may be based on numerous estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. The value of our common stock could be adversely affected if our determinations regarding the fair value of these investments are materially higher than the values that we ultimately realize upon their disposal.

Competition with third parties in acquiring and originating investments may reduce our profitability and the return on your investment.

We have significant competition with respect to our acquisition and origination of assets with many other companies, including other REITs, insurance companies, commercial banks, private investment funds, hedge funds, specialty finance companies and other investors, many of which have greater resources than us. We may not be able to compete successfully for investments. In addition, the number of entities and the amount of funds competing for suitable investments may increase. If we pay higher prices for investments or originate loans on more generous terms than our competitors, our returns will be lower and the value of our assets may not increase or may decrease significantly below the amount we paid for such assets. If such events occur, our stockholders may experience a lower return on their investment.

Our joint venture partners could take actions that decrease the value of an investment to us and lower our overall return.

We may enter into joint ventures with third parties or our affiliates to make investments. We may also make investments in partnerships or other co-ownership arrangements or participations. Such investments may involve risks not otherwise present with other methods of investment, including, for example, the following risks:

- that our co-venturer or partner in an investment could become insolvent or bankrupt;
- that such co-venturer or partner may at any time have economic or business interests or goals that are or that become inconsistent with our business interests or goals; or
- that such co-venturer or partner may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives.

Any of the above might subject us to liabilities and thus reduce our returns on our investment with that co-venturer or partner.

Our due diligence may not reveal all of a borrower's liabilities and may not reveal other weaknesses in its business.

Before making a loan to a borrower or acquiring debt or equity securities of a company, we will assess the strength and skills of such entity's management and other factors that we believe are material to the performance of the investment. In making the assessment and otherwise conducting customary due diligence, we will rely on the resources available to us and, in some cases, an investigation by third parties. This process is particularly important and subjective with respect to newly organized or private entities because there may be little or no information publicly available about the entities. There can be no assurance that our due diligence processes will uncover all relevant facts or that any investment will be successful.

We may depend on debtors for our revenue, and, accordingly, our revenue and our ability to make distributions will be dependent upon the success and economic viability of such debtors.

The success of our investments in real estate-related loans, real estate-related securities and other real estate-related assets materially depend on the financial stability of the debtors underlying such investments. The inability of a single major debtor or a number of smaller debtors to meet their payment obligations could result in reduced revenue or losses.

Delays in liquidating defaulted mortgage loans could reduce our investment returns.

If we make or invest in mortgage loans and there are defaults under those mortgage loans, we may not be able to repossess and sell the underlying properties quickly. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses, including, without limitation, lender liability claims, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take up to several years or more to litigate. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. Foreclosure actions by senior lenders may substantially affect the amount that we may receive from an investment. These factors could reduce the value of our investment in the defaulted mortgage loans.

Delays in restructuring or liquidating non-performing debt-related securities could reduce the return on our investment.

Debt-related securities may become non-performing after acquisition for a wide variety of reasons. In addition, we may acquire non-performing debt-related investments. Such non-performing debt-related investments may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of such loan or asset. However, even if a restructuring is successfully accomplished, upon maturity of such debt-related security, the borrower under the security may not be able to negotiate replacement “takeout” financing to repay the principal amount of the securities owed to us. We may find it necessary or desirable to foreclose on some of the collateral securing one or more of our investments. Intercreditor provisions may substantially interfere with our ability to do so. Even if foreclosure is an option, the foreclosure process can be lengthy and expensive as discussed above.

If we foreclose on the collateral that will secure our investments in loans receivable, we may incur significant liabilities for deferred repairs and maintenance, property taxes and other expenses, which would reduce cash available for distribution to stockholders.

Some of the properties we may acquire in foreclosure proceedings may face competition from newer, more updated properties. In addition, the overall condition of these properties may have been neglected prior to the time we would foreclose on them. In order to remain competitive, increase occupancy at these properties and/or make them more attractive to potential tenants and purchasers, we may have to make significant capital improvements and/or incur deferred maintenance costs with respect to these properties. Also, if we acquire properties through foreclosure, we will be responsible for property taxes and other expenses which will require more capital resources than if we held a secured interest in these properties. To the extent we have to make significant capital expenditure with respect to these properties, we will have less cash available to fund distributions and investor returns may be reduced.

Investments in non-performing real estate assets involve greater risks than investments in stabilized, performing assets and make our future performance more difficult to predict.

Traditional performance metrics of real estate assets are generally not meaningful for non-performing real estate assets. Non-performing properties, for example, do not have stabilized occupancy rates to provide a useful measure of revenue. Similarly, non-performing loans do not have a consistent stream of loan servicing or interest payments to provide a useful measure of revenue. In addition, for non-performing loans, often there is no expectation that the face amount of the note will be paid in full. Appraisals may provide a sense of the value of the investment, but any appraisal of the property or underlying property will be based on numerous estimates, judgments and assumptions that significantly affect the appraised value of the underlying property. Further, an appraisal of a non-stabilized property, in particular, involves a high degree of subjectivity due to high vacancy levels and uncertainties with respect to future market rental rates and timing of lease-up and stabilization. Accordingly, different assumptions may materially change the appraised value of the property. In addition, the value of the property will change over time.

In addition, we may pursue more than one strategy to create value in a non-performing real estate investment. With respect to a property, these strategies may include development, redevelopment, or lease-up of such property. With respect to a loan, these strategies may include negotiating with the borrower for a reduced payoff, restructuring the terms of the loan or enforcing our rights as lender under the loan and foreclosing on the collateral securing the loan.

The factors described above make it challenging to evaluate non-performing investments.

We have no established investment criteria limiting the geographic or industry concentration of our investments. If our investments are concentrated in an area or asset class that experiences adverse economic conditions, our investments may lose value and we may experience losses.

Certain of our investments may be secured by a single property or properties in one geographic location or asset class. Additionally, properties that we may acquire may be concentrated in a geographic location or in a particular asset class. These investments carry the risks associated with significant geographical or industry concentration. We have not established and do not plan to establish any investment criteria to limit our exposure to these risks for future investments. As a result, properties underlying our investments may be overly concentrated in certain geographic areas or industries and we may experience losses as a result. A worsening of economic conditions, a natural disaster or civil disruptions in a geographic area in which our investments may be concentrated or economic upheaval with respect to a particular asset class, could have an adverse effect on our business, including reducing the demand for new financings, limiting the ability of borrowers to pay financed amounts and impairing the value of our collateral or the properties we may acquire. As of December 31, 2020, 100% of our investments were secured by properties in New York City.

We have no established investment criteria limiting the size of each investment we make in commercial real estate debt, real estate related equity and securities investments. If we have an investment that represents a material percentage of our assets and that investment experiences a loss, the value of your investment in us could be significantly diminished.

We are not limited in the size of any single investment we may make and certain of our commercial real estate debt, select equity and securities investments may represent a significant percentage of our assets. We may be unable to raise significant capital and invest in a diverse portfolio of assets which would increase our asset concentration risk. Any such investment may carry the risk associated with a significant asset concentration. Should any investment representing a material percentage of our assets, experience a loss on all or a portion of the investment, we could experience a material adverse effect, which would result in the value of your investment in us being diminished. As of December 31, 2020, we have only made three investments.

Failure to obtain or maintain required approvals and/or state licenses necessary to operate our mortgage-related activities may adversely impact our investment strategy.

We may in the future be required to obtain various other approvals and/or licenses from federal or state governmental authorities, government sponsored entities or similar bodies in connection with some or all of our mortgage-related activities. There is no assurance that we can obtain any or all of the approvals and licenses that we desire or that we will avoid experiencing significant delays in seeking such approvals and licenses. Furthermore, we will be subject to various disclosures and other requirements to obtain and maintain these approvals and licenses, and there is no assurance that we will satisfy those requirements. Our failure to obtain or maintain licenses will restrict our options and ability to engage in desired activities, and could subject us to fines, suspensions, terminations and various other adverse actions if it is determined that we have engaged without the requisite approvals or licenses in activities that require an approval or license, which could have a material and adverse effect on our business, results of operations, financial condition and prospects.

Risks Related to Our Financing Strategy

We expect to use leverage in connection with our investments, which increases the risk of loss associated with our investments.

We expect to finance the acquisition and origination of a portion of our investments with warehouse lines of credit, repurchase agreements, various types of securitizations, mortgages and other borrowings. Although the use of leverage may enhance returns and increase the number of investments that we can make, it may also substantially increase the risk of loss. Our ability to execute this strategy will depend on various conditions in the financing markets that are beyond our control, including liquidity and credit spreads. There can be no assurance that leveraged financing will be available to us on favorable terms or that, among other factors, the terms of such financing will parallel the maturities of the underlying assets acquired. If our strategy is not viable, we will have to find alternative forms of long-term financing for our assets, as secured revolving credit facilities and repurchase facilities may not accommodate long-term financing. This could subject us to more restrictive recourse indebtedness and the risk that debt service on less efficient forms of financing would require a larger portion of our cash flows, thereby reducing cash available for distribution to our stockholders, for our operations and for future business opportunities. If alternative financing is not available, we may have to liquidate assets at unfavorable prices to pay off such financing. Our return on our investments and cash available for distribution to our stockholders may be reduced to the extent that changes in market conditions cause the cost of our financing to increase relative to the income that we can derive from the assets we acquire.

Short-term borrowing through repurchase agreements, bank credit facilities and warehouse facilities may put our assets and financial condition at risk. Repurchase agreements economically resemble short-term, variable-rate financing and usually require the maintenance of specific loan-to-collateral value ratios. If the market value of the assets subject to a repurchase agreement decline, we may be required to provide additional collateral or make cash payments to maintain the loan to collateral value ratio. If we are unable to provide such collateral or cash repayments, we may lose our economic interest in the underlying assets. Further, credit facility providers and warehouse facility providers may require us to maintain a certain amount of cash reserves or to set aside unleveraged assets sufficient to maintain a specified liquidity position that would allow us to satisfy our collateral obligations. In addition, such short-term borrowing facilities may limit the length of time that any given asset may be used as eligible collateral. As a result, we may not be able to leverage our assets as fully as we would choose, which could reduce our return on assets. In the event that we are unable to meet these collateral obligations, our financial condition could deteriorate rapidly.

We may not be able to acquire eligible investments for a CDO issuance or may not be able to issue CDO securities on attractive terms, either of which may require us to seek more costly financing for our investments or to liquidate assets.

We may use short-term financing arrangements to finance the acquisition of instruments until a sufficient quantity is accumulated, at which time we may refinance these lines through a securitization, such as a CDO issuance, or other long-term financing. As a result, we are subject to the risk that we will not be able to acquire, during the period that our short-term financing is available, a sufficient amount of eligible assets to maximize the efficiency of a CDO issuance. In addition, conditions in the capital markets may make the issuance of CDOs less attractive to us when we have accumulated a sufficient pool of collateral. If we are unable to issue a CDO to finance these assets, we may be required to seek other forms of potentially less attractive financing or liquidate the assets. In addition, while we generally will retain the equity component, or below investment grade component, of such CDOs and, therefore, still have exposure to any investments included in such securitizations, our inability to enter into securitization transactions will increase our overall exposure to risks associated with ownership of such investments, including the risk of default under warehouse facilities, bank credit facilities and repurchase agreements discussed above.

The use of CDO financings with over-collateralization requirements may have a negative impact on our cash flow.

We expect that the terms of CDOs we may issue will generally provide that the principal amount of assets must exceed the principal balance of the related bonds by a certain amount, commonly referred to as "over-collateralization." We anticipate that the CDO terms will provide that, if certain delinquencies and/or losses exceed specified levels, which we will establish based on the analysis by the rating agencies (or any financial guaranty insurer) of the characteristics of the assets collateralizing the bonds, the required level of over-collateralization may be increased or may be prevented from decreasing as would otherwise be permitted had losses or delinquencies not exceeded those levels. Other tests (based on delinquency levels or other criteria) may restrict our ability to receive net income from assets collateralizing the obligations. We cannot assure you that the performance tests will be satisfied. In advance of completing negotiations with the rating agencies or other key transaction parties on our future CDO financings, we cannot assure our stockholders of the actual terms of the CDO delinquency tests, over-collateralization terms, cash flow release mechanisms or other significant factors regarding the calculation of net income to us. Failure to obtain favorable terms with regard to these matters may materially and adversely affect the availability of net income to us. If our assets fail to perform as anticipated, our over-collateralization or other credit enhancement expense associated with our CDO financings will increase.

We may be required to repurchase loans that we have sold or to indemnify holders of CDOs we issue.

If any of the loans we originate or acquire and sell or securitize do not comply with representations and warranties that we make about certain characteristics of the loans, the borrowers and the underlying properties, we may be required to repurchase those loans (including from a trust vehicle used to facilitate a structured financing of the assets through CDOs) or replace them with substitute loans. In addition, in the case of loans that we have sold instead of retained, we may be required to indemnify persons for losses or expenses incurred as a result of a breach of a representation or warranty. Repurchased loans typically require a significant allocation of working capital to be carried on our books, and our ability to borrow against such assets may be limited. Any significant repurchases or indemnification payments could materially and adversely affect our financial condition and operating results.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our stockholders.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to incur additional debt. Loan agreements we enter may contain covenants that limit our ability to further mortgage a property or that prohibit us from discontinuing insurance coverage or replacing the Advisor. These or other limitations would decrease our operating flexibility and our ability to achieve our operating objectives.

In a period of rising interest rates, our interest expense could increase while the interest we earn on our fixed-rate assets would not change, which would adversely affect our profitability.

Our operating results will depend in large part on differences between the income from our assets, net of credit losses and financing costs. Income from our assets may respond more slowly to interest rate fluctuations than the cost of our borrowings. Consequently, changes in interest rates, particularly short-term interest rates, may significantly influence our net income. Increases in these rates will tend to decrease our net income and market value of our assets. Interest rate fluctuations resulting in our interest expense exceeding our interest income would result in operating losses for us and may limit our ability to make distributions to our stockholders. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments at times that may not permit realization of the maximum return on such investments.

We have broad authority to incur debt and high debt levels could hinder our ability to make distributions and decrease the value of your investment.

Although we expect that once we have fully invested the proceeds of the Offering, our debt financing and other liabilities will be 50% or less of the cost of our tangible assets (before deducting depreciation or other non-cash reserves), our debt financing and other liabilities may exceed this level during our offering stage. Our charter limits our total liabilities to 300% of the cost of our net assets, which we expect to approximate 75% of the cost of our tangible assets (before deducting depreciation, reserves for bad debt or other non-cash reserves), however, we may exceed this limit with the approval of the independent directors of our board of directors. As of December 31, 2020, the Company had no borrowings.

Risks Related to Conflicts of Interest

Our Advisor and its affiliates, including all of our executive officers and some of our directors and other key real estate professionals, will face conflicts of interest caused by their compensation arrangements with us, which could result in actions that are not in the best interests of our stockholders.

Our executive officers and the key investment professionals relied upon by our Advisor are compensated by our Advisor and its affiliates. Our Advisor and its affiliates will receive substantial fees from us. These fees could influence our Advisor's advice to us as well as the judgment of affiliates of our Advisor. Among other matters, these compensation arrangements could affect their judgment with respect to:

- the continuation, renewal or enforcement of our agreements with our Advisor and its affiliates, including the Advisory Agreement and the dealer manager agreement;
- offerings of equity by us, which entitle our Dealer Manager to dealer-manager fees and will likely entitle our Advisor to increased asset management fees;
- acquisitions of investments and originations of loans, which entitle our Advisor to asset management fees and origination fees and, in the case of acquisitions of investments from other Cantor Companies or affiliates, might entitle affiliates of our Advisor to disposition fees and other fees in connection with its services for the seller;
- borrowings to acquire investments and to originate loans, which borrowings will increase the asset management fees payable to our Advisor;
- whether and when we seek to list our common stock on a national securities exchange, which listing could entitle an affiliate of our Advisor to have their special units redeemed; and
- whether and when we seek to sell the company or its assets, which sale could entitle our sponsor to reimbursement of the Sponsor Support and an affiliate of our Advisor to a disposition fee and/or have their special units redeemed.

The fees our Advisor receives in connection with transactions involving the acquisition or origination of an asset are based on the cost of the investment, and not based on the quality of the investment or the quality of the services rendered to us. This may influence our Advisor to recommend riskier transactions to us.

We may compete with other Cantor Companies for investment opportunities for the Company, which could negatively impact our ability to locate suitable investments.

Our investment strategy may overlap with some of the strategies of other Cantor Companies. CCRE is primarily in the business of originating and securitizing whole mortgage loans secured by commercial real estate and Berkeley Point is a leading multifamily capital solutions provider, which is engaged in the origination, funding, sale and servicing of multi-family mortgage loans within the United States and participates in a number of loan origination, sale and servicing programs operated by government sponsored entities. Opportunities to originate or acquire such loans by CCRE or Berkeley Point may be competitive with some of our potential investments. Although Newmark does not currently acquire properties or interests in real estate properties or originate or acquire loans, in the course of Newmark's business, it may generate fees from the referral of such loan opportunities to third parties. Members of CCRE's and Newmark's day to day management teams are generally different than our investment professionals. However, both lines of business are under common control with us. CCRE and Newmark and their respective subsidiaries are not restricted from competing with our business, whether by originating or acquiring loans that might be suitable for origination or acquisition by us, or by referring loan opportunities to third parties in exchange for fees. CCRE and Newmark are not required to refer any such opportunities to us. Our sponsor also is the sponsor of CFIT, a non-traded REIT formed to invest in and manage a diversified portfolio of stabilized income-producing commercial real-estate and debt secured by commercial real estate located primarily in the United States. Our Advisor and its affiliates face conflicts of interest relating to performing services on our behalf and allocating investment opportunities to us, and such conflicts may not be resolved in our favor, meaning we could acquire less attractive assets, which could limit our ability to make distributions and reduce our stockholders' overall investment return.

Our affiliation with Cantor and the relationships of our executive officers, sponsor and Advisor may not lead to investment opportunities for us.

There can be no assurance that our affiliation with affiliates of our sponsor or the relationships of our executive officers, sponsor and Advisor will result in investment opportunities or service relationships for us on favorable terms, if at all. If we are unable to generate attractive investment opportunities, we will have fewer investments and our ability to pay distributions will be limited. In addition, certain of our affiliates may be constrained by approvals and/or obligations with respect to third-party investors and as a result may not be able to provide services to us.

Our Advisor will face conflicts of interest relating to joint ventures that we may form with affiliates of our Advisor, which conflicts could result in a disproportionate benefit to the other venture partners at our expense.

If approved by a majority of our independent directors, we may enter into joint venture agreements with other Cantor Companies or affiliated entities for the acquisition, development or improvement of properties or other investments. Our Advisor and its affiliates, the advisors to the other Cantor Companies and the investment advisers to institutional investors in real estate and real estate-related assets, have some of the same executive officers, directors and other key real estate and finance professionals, and these persons will face conflicts of interest in determining which program or investor should enter into any particular joint venture agreement. These persons may also face a conflict in structuring the terms of the relationship between our interests and the interests of the Cantor-affiliated co-venturer and in managing the joint venture. Any joint venture agreement or transaction between us and a Cantor-affiliated co-venturer will not have the benefit of arm's-length negotiation of the type normally conducted between unrelated co-venturers. The Cantor-affiliated co-venturer may have economic or business interests or goals that are or may become inconsistent with our business interests or goals. As a result, these co-venturers may benefit to our and our stockholders' detriment.

The fees we pay to our Advisor and its affiliates in connection with the Offering and in connection with the origination, acquisition and management of our investments were not determined on an arm's length basis; therefore, we do not have the benefit of arm's length negotiations of the type normally conducted between unrelated parties.

The fees to be paid to our Advisor, our Dealer Manager and other affiliates for services they provide for us were not determined on an arm's length basis. As a result, the fees have been determined without the benefit of arm's length negotiations of the type normally conducted between unrelated parties and may be in excess of amounts that we would otherwise pay to third parties for such services.

Our Advisor faces conflicts of interest relating to incentive compensation and Sponsor Support structure, which could result in actions that are not necessarily in the long-term best interests of our stockholders.

Under our Advisory Agreement, our Advisor will be entitled to fees and other amounts that may result in our Advisor recommending actions that maximize these amounts even if the actions are not in our best interest. Further, because our Advisor does not maintain a significant equity interest in us and is entitled to receive substantial minimum compensation regardless of performance, our Advisor's interests are not wholly aligned with those of our stockholders. In that regard, our Advisor could be motivated to recommend riskier or more speculative investments in order for us to generate the specified levels of performance or sales proceeds that would entitle our Advisor to incentive compensation. In addition, our Advisor's entitlement to fees upon the sale of our investments and to participate in net sales proceeds could result in our Advisor recommending sales of our investments at the earliest possible time at which sales of investments would produce the level of return that would entitle our Advisor to compensation relating to such sales, even if continued ownership of those investments might be in our best long-term interest. Upon termination of our Advisory Agreement for any reason, including for cause, our Advisor will be paid all accrued and unpaid fees and expense reimbursements earned prior to the date of termination. In addition, unless the Advisory Agreement was terminated for cause, the Special Unit Holder may be entitled to a one-time payment upon redemption of the special units (based on an appraisal or valuation of our portfolio) in the event that the Special Unit Holder would have been entitled to a subordinated distribution had the portfolio been liquidated on the termination date. In addition, our sponsor will be entitled to reimbursement for its payment of certain selling commissions made on our behalf. To avoid paying these fees, our independent directors may decide against terminating the Advisory Agreement prior to our listing of our shares of common stock or disposition of our investments even if termination of the Advisory Agreement would be in our best interest. In addition, the requirement to pay the fee to our Advisor upon our Advisor's termination could cause us to make different investment or disposition decisions than we would otherwise make in order to satisfy our obligation to pay the fee to our Advisor.

Our Advisor, the real estate professionals assembled by our Advisor, their affiliates and our officers will face competing demands on their time and this may cause our operations and our stockholders' investment to suffer.

We rely on our Advisor and the real estate and debt finance professionals our Advisor has assembled, including Messrs. Lutnick and Griffin, for the day-to-day operation of our business. Messrs. Lutnick and Griffin are also executive officers or managers of certain other Cantor Companies and affiliates. As a result of their interests in other Cantor Companies and affiliates, their obligations to other investors and the fact that they engage in and they will continue to engage in other business activities on behalf of themselves and others, Messrs. Lutnick and Griffin will face conflicts of interest in allocating their time among us, our Advisor and its affiliates, other Cantor Companies as well as other business activities in which they are involved. During times of intense activity in other programs and ventures, these individuals may devote less time and fewer resources to our business than are desirable. As a result, the returns on our investments, and the value of our stockholders' investment, may decline.

Certain of our executive officers and certain of our Advisor's and its affiliates' key investment professionals who perform services for us may perform services for other entities to whom they may also owe duties that will conflict with their duties to us.

Our executive officers and our Advisor's and its affiliates' key investment professionals may provide services for other Cantor Companies. To the extent they do so, they will owe duties to each of these entities, their members and limited partners and investors, which duties may from time-to-time conflict with the fiduciary duties that they owe to us and stockholders. In addition, our sponsor may grant equity interests in our Advisor and the Special Unit Holder, to certain management personnel performing services for our Advisor. The loyalties of these individuals to other entities and investors could result in action or inaction that is detrimental to our business, which could harm the implementation of our business strategy and our investment opportunities. If we do not successfully implement our business strategy, we may be unable to generate the cash needed to make distributions to stockholders and to maintain or increase the value of our assets.

Because other real estate programs may be offered through our Dealer Manager concurrently with the Offering, our Dealer Manager may face potential conflicts of interest arising from competition among us and these other programs for investors and investment capital, and such conflicts may not be resolved in our favor.

Our Dealer Manager may also act as the dealer manager for the public and private offerings of other programs sponsored by our sponsor, other Cantor Companies or unaffiliated sponsors. For example, our Dealer Manager also is the dealer manager for the public offering of CFIT, a non-traded REIT sponsored by our sponsor formed to invest in and manage a diversified portfolio of stabilized income-producing commercial real-estate and debt secured by commercial real estate located primarily in the United States. In addition, future programs sponsored by our sponsor, other Cantor Companies or unaffiliated sponsors may seek to raise capital through public offerings conducted concurrently with the Offering. As a result, our Dealer Manager may face conflicts of interest arising from potential competition with these other programs for investors and investment capital. Our sponsor will generally seek to avoid simultaneous offerings by programs that have a substantially similar mix of investment characteristics, including targeted investment types and strategies. Nevertheless, there may be periods during which one or more programs sponsored by our sponsor will be raising capital and may compete with us for investment capital. Such conflicts may not be resolved in our favor and investors will not have the opportunity to evaluate the manner in which these conflicts of interest are resolved before or after making your investment.

Risks Related to Investment in our Common Stock

We have limited operating history which makes our future performance difficult to predict.

We have limited operating history. As of December 31, 2020, we have only made three investments and have very limited assets. Moreover, if our capital resources are insufficient to support our operations, we will not be successful.

You should consider our prospects in light of the risks, uncertainties and difficulties frequently encountered by companies that are, like us, in their early stage of development. To be successful in this market, we or our Advisor must, among other things:

- identify and acquire or originate investments that further our investment strategies;
- respond to competition for our targeted investments, as well as for potential investors in us; and
- capitalize our business operations with sufficient debt and equity.

We cannot guarantee our stockholders that we will succeed in achieving these goals, and our failure to do so could cause our stockholders to lose all or a portion of their investment.

Because the Offering is a blind-pool offering, our stockholders will not have the opportunity to evaluate our investments before we make them, which makes their investment in us more speculative.

We will seek to invest substantially all of the net proceeds from the Primary Offering after the payment of fees and expenses in real estate related loans, real estate related securities and other real estate related investments. Because we have had limited activity, we are not able to provide our stockholders with any information to assist them in evaluating the merits of any specific investments that we may make. Because our stockholders will be unable to evaluate the economic merit of assets before we invest in them, they will have to rely entirely on the ability of our Advisor to select suitable and successful investment opportunities. We cannot predict our actual allocation of assets at this time because such allocation will also be dependent, in part, upon the amount of financing we are able to obtain, if any, with respect to each asset class in which we invest. Furthermore, our board of directors will have broad discretion in implementing policies regarding mortgagor or tenant creditworthiness and our stockholders will not have the opportunity to evaluate potential borrowers, tenants or managers. These factors increase the speculative nature of an investment in us.

If we pay cash distributions from sources other than our cash flow from operations, we will have less funds available for investments and our stockholders' overall return may be reduced.

Our organizational documents do not restrict us from paying distributions from any source and do not restrict the amount of distributions we may pay from any source, including proceeds from the Offering or the proceeds from the issuance of securities in the future, other third party borrowings, advances from our Advisor or sponsor or from our Advisor's deferral or waiver of its fees under the Advisory Agreement. Distributions paid from sources other than current or accumulated earnings and profits, particularly during the period before we have substantially invested the net proceeds from the Offering may constitute a return of capital for tax purposes. From time to time, particularly during the period before we have substantially invested the net proceeds from the Offering, we may generate taxable income greater than our taxable income for financial reporting purposes, or our taxable income may be greater than our cash flow available for distribution to stockholders. In these situations we may make distributions in excess of our cash flow from operations, investment activities and strategic financings to satisfy the REIT distribution requirement. If we fund distributions from financings, the net proceeds from the Offering or sources other than our cash flow from operations, we will have less funds available for investment in real estate-related loans, real estate-related debt securities and other real estate-related investments and our stockholders' overall return may be reduced. In addition, if the aggregate amount of cash we distribute to stockholders in any given year exceeds the amount of our taxable income generated during the year, the excess amount will either be (1) a return of capital or (2) a gain from the sale or exchange of property to the extent that a stockholder's basis in our common stock equals or is reduced to zero as the result of our current or prior year distributions. Such distributions may effectively dilute or reduce the value of the stockholders remaining interest in our company's net asset value.

Pursuant to a distribution support agreement, in certain circumstances where our cash distributions exceed MFFO, our sponsor will purchase up to $5.0 million of Class I shares (including shares our sponsor purchased in order to satisfy the Minimum Offering Requirement) at the then current offering price per Class I share net of dealer manager fees to provide additional cash to support distributions to our stockholders. The sale of these shares will result in the dilution of the ownership interests of our public stockholders. Upon termination or expiration of the distribution support agreement, we may not have sufficient cash available to pay distributions at the rate we had paid during preceding periods or at all. If we pay distributions from sources other than our cash flow from operations, we will have less cash available for investments, we may have to reduce our distribution rate, our net asset value may be negatively impacted and our stockholders overall return may be reduced. For the year ended December 31, 2020, 100% of our distributions came from cash flow from operations.

Because no public trading market for your shares currently exists, it will be difficult for our stockholders to sell their shares and, if they are able to sell their shares, they will likely sell them at a substantial discount to the offering price.

There is no public market for our shares and we currently have no plans to list our shares on a national securities exchange. Until our shares are listed, if ever, it will be difficult for our stockholders to sell their shares. In addition, our charter prohibits the ownership of more than 9.8% in value or number of shares, whichever is more restrictive, of our outstanding common stock, unless exempted (prospectively or retroactively) by our board of directors, which may discourage large investors from purchasing shares. In its sole discretion, our board of directors could amend, suspend or terminate our share repurchase program upon 10 business days' notice. Further, the share repurchase program includes numerous restrictions that will severely limit the ability of our stockholders to sell their shares. Therefore, it will be difficult for our stockholders to sell their shares promptly or at all. If they are able to sell their shares, they would likely have to sell them at a substantial discount to their public offering price. It is also likely that our shares would not be accepted as the primary collateral for a loan. Because of the illiquid nature of our shares, investors should purchase our shares only as a long-term investment and be prepared to hold them for an indefinite period of time.

The availability and timing of distributions to our stockholders is uncertain and cannot be assured.

There is no assurance that distributions will be authorized and paid. We cannot assure our stockholders that we will have sufficient cash to pay distributions or that the amount of any such distributions will increase over time. In addition, the distribution fees payable with respect to Class T shares issued in the Primary Offering will reduce the amount of funds available for distribution with respect to all Class T shares (including Class T shares issued pursuant to the DRP). Should we fail for any reason to distribute at least 90% of our REIT taxable income, we would not qualify for the favorable tax treatment accorded to REITs absent qualifying remedial action.

If we raise substantial offering proceeds in a short period of time, we may not be able to invest all of our offering proceeds promptly, which may cause our distributions and our stockholders' investment returns to be lower than they otherwise would be.

The more shares we sell in the Offering, the greater our challenge will be to invest all of our net offering proceeds. The large size of the Offering increases the risk of delays in investing our net proceeds promptly and on attractive terms. Pending investment, the net proceeds of the Offering may be invested in permitted temporary investments, which include short-term United States government securities, bank certificates of deposit and other short-term liquid investments. The rate of return on these investments, which affects the amount of cash available to make distributions to stockholders, has fluctuated in recent years and most likely will be less than the return obtainable from the type of investments in the real estate industry we seek to acquire or originate. Therefore, delays we encounter in the selection, due diligence and acquisition or origination of investments would likely limit our ability to pay distributions to our stockholders and lower their overall returns.

Each quarter, the purchase and repurchase price for shares of our common stock will be based on our NAV and will not be based on any public trading market. Neither NAV nor the offering price may be an accurate reflection of the fair market value of our assets and liabilities and likely will not represent the amount of net proceeds that would result if we were liquidated or dissolved or the amount our stockholders would receive upon the sale of their shares.

The NAV per share and the Primary Offering price per share of each class of shares may not be an accurate reflection of the fair value of our assets and liabilities in accordance with GAAP, may not reflect the price at which we would be able to sell all or substantially all of our assets or the outstanding shares of our common stock in an arm's length transaction, may not represent the value that our stockholders could realize upon a sale of our company or upon the liquidation of our assets and settlement of our liabilities, and may not be indicative of the price at which shares of our common stock would trade if they were listed on a national securities exchange. In addition, such values may not be the equivalent of the disclosure of a market price by an open-ended real estate fund.

Any methodologies used to determine an estimated value per share may be based upon assumptions, estimates and judgments that may not be accurate or complete, such that, if different property-specific and general real estate and capital market assumptions, estimates and judgments were used, it could result in an NAV per share that is significantly different.

The SEC approved an amendment to National Association of Securities Dealers, or "NASD", Conduct Rule 2340, which became effective on April 11, 2016 and sets forth the obligations of FINRA members to provide per share values in customer account statements calculated in a certain manner. Because we will use a portion of the proceeds from the Offering to pay sales commissions, dealer manager fees and organization and offering expenses, which will reduce the amount of funds available for investment, unless our aggregate investments increase in value to compensate for these up-front fees and expenses, it is likely that the value shown on our stockholders' account statement will be lower than the purchase price paid by them in the Offering.

Valuations of our assets and liabilities are estimates of value and may not necessarily correspond to realizable value.

The valuation methodologies used to value our investment assets and liabilities involve subjective judgments regarding such factors as interest rate levels for commercial real estate debt similar to our commercial real estate debt investments and real-estate related liabilities and, to the extent we invest directly in properties, rental revenue and operating expense data, capitalization or discount rates, and projections of future rent and expenses based on appropriate analysis. In addition, the valuation of our real-estate securities will be based, in part, on subjective judgments concerning dividend yields or earnings multiples for similar securities. As a result, valuations and appraisals of our commercial real estate debt investments, properties, real estate-related assets and real estate-related liabilities are only estimates of current market value. Ultimate realization of the value of an asset or liability depends to a great extent on economic and other conditions beyond our control and the control of the Independent Valuation Firm and other parties involved in the valuation of our assets and liabilities. Further, these valuations may not necessarily represent the price at which an asset or liability would sell, because market prices of assets and liabilities can only be determined by negotiation between a willing buyer and seller. Valuations used for determining our NAV also are generally made without consideration of the expenses that would be incurred in connection with disposing of assets and liabilities. Therefore, the valuations of our investments and our liabilities may not correspond to the timely realizable value upon a sale of those assets and liabilities. Our NAV does not currently represent enterprise value and may not accurately reflect the actual prices at which our assets could be liquidated on any given day, the value a third party would pay for all or substantially all of our shares, or the price that our shares would trade at on a national stock exchange. There will be no retroactive adjustment in the valuation of such assets or liabilities, the price of our shares of common stock, or the price we paid to repurchase shares of our common stock to the extent such valuations prove to not accurately reflect the true estimate of value and are not a precise measure of realizable value. Because the price our investors will pay for Class A shares, Class T shares or Class I shares, and the price at which their shares may be repurchased by us pursuant to our share repurchase program, will be based on our estimated NAV per share, our investors may pay more than realizable value or receive less than realizable value for their investment.

In order to disclose a quarterly NAV, we are reliant on the parties that we engage for that purpose, in particular Robert A. Stanger & Co., Inc. (the "Independent Valuation Firm").

In order to disclose a quarterly NAV, our board of directors, including a majority of our independent directors, has adopted valuation procedures and has engaged the Independent Valuation Firm to value our investment assets and liabilities and to calculate our NAV on a quarterly basis. We may also engage other independent third parties to assist in the valuation of our investment assets and liabilities. Our board of directors, including a majority of our independent directors, may replace the Independent Valuation Firm with another third party or retain another third-party firm to calculate the NAV for each of our share classes, if it is deemed appropriate to do so. Although our board of directors, with the assistance of the Advisor, oversees all of these parties and the reasonableness of their work product, we will not independently verify our NAV or the components thereof, such as the appraised values of our properties. Our management's assessment of the market values of our properties may also differ from the appraised values of our properties as determined by the Independent Valuation Firm. If the parties engaged by us to determine our quarterly NAV are unable or unwilling to perform their obligations to us, our NAV could be inaccurate or unavailable, and we could decide to suspend this Offering and our share repurchase program.

Our NAV is not subject to GAAP, will not be independently audited and will involve subjective judgments by the Independent Valuation Firm and other parties involved in valuing our assets and liabilities.

Our valuation procedures and our NAV are not subject to GAAP and will not be subject to independent audit. Our NAV may differ from equity (net assets) reflected on our audited financial statements, even if we are required to adopt a fair value basis of accounting for GAAP financial statement purposes. Additionally, we are dependent on our Advisor to be reasonably aware of material events specific to our investments (such as tenant disputes, property damage, litigation, environmental issues, default on commercial real estate debt investments, material changes in loan guarantees or financial strength of guarantors, or material changes in entities in which we hold securities) that may cause the value of a commercial real estate debt, property or real estate-related security investment to change materially and to promptly notify the Independent Valuation Firm so that the information may be reflected in the calculation of our NAV. In addition, the implementation and coordination of our valuation procedures include certain subjective judgments of the Advisor, such as whether the Independent Valuation Firm should be notified of events specific to our investments that could affect their valuations, as well as of the Independent Valuation Firm and other parties we engage, as to whether adjustments to asset and liability valuations are appropriate. Accordingly, our stockholders must rely entirely on our board of directors to adopt appropriate valuation procedures and on the Independent Valuation Firm and other parties we engage in order to arrive at our NAV, which may not correspond to realizable value upon a sale of our assets.

Our board of directors, including a majority of our independent directors, may adopt changes to the valuation procedures.

Each year our board of directors, including a majority of our independent directors, will review the appropriateness of our valuation procedures and may, at any time, adopt changes to the valuation procedures. For example, we currently exclude amounts owed to the Advisor for reimbursement of O&O Costs consistent with our valuation procedures. We also do not currently include any enterprise value or real estate acquisition costs in our assets calculated for purposes of our NAV. If we acquire real property assets as a portfolio, we may pay a premium over the amount that we would pay for the assets individually. Other public REITs may use different methodologies or assumptions to determine their NAV. As a result, it is important that our stockholders pay particular attention to the specific methodologies and assumptions we use to calculate our NAV. Our board of directors may change these or other aspects of our valuation procedures, which changes may have an adverse effect on our NAV and the price at which shares may be repurchased under our share repurchase program. See the "Net Asset Value Calculation and Valuation Procedures" section of the Company's prospectus for more details regarding our valuation methodologies, assumptions and procedures.

Our NAV per share may materially change from quarter to quarter if the valuations of our investments materially change from prior valuations or the actual operating results materially differ from what we originally budgeted.

As appraisal of our properties and valuations of our commercial real estate debt and real estate-related securities are updated and reflected in our Independent Valuation Firm's valuation of our investment portfolio, there may be a material change in our NAV per share for each class of our common stock. Commercial real estate debt (and real estate-related liabilities) can change for a variety of factors, including changes in the value of the underlying collateral, changes in the market interest rate for similar type loans, defaults, prepayments and changes in loan guarantees. Investment valuation changes can occur for a variety reasons, such as local real estate market conditions, the credit and rates market, and actual operating results that materially differ from what we originally projected or what was projected in the prior appraisal. Real estate-related security valuation changes can occur for a variety of reasons as well, such as a change in the outlook for the entity to which these securities relate, leverage levels, earnings and distribution payout ratios. For example, investments may prepay earlier than their stated maturity or, in the event of adverse credit events, after their stated maturity. These circumstances may result in a material change in our NAV per share. We are at the greatest risk of these valuation changes during periods where we experience significant loan prepayments, delayed maturity payments, or significant changes in credit markets.

In addition, actual operating results may differ from what we originally budgeted, which may cause a material increase or decrease in the NAV per share amounts. We accrue estimated income and expenses on a quarterly basis based on annual budgets as adjusted from time to time to reflect changes in the business throughout the year. On a periodic basis, we adjust the income and expense accruals we estimated to reflect the income and expenses actually earned and incurred. We will not retroactively adjust the NAV per share of each class for any adjustments. Therefore, because actual results from operations may be better or worse than what we previously budgeted, the adjustment to reflect actual operating results may cause the NAV per share for each class of our common stock to increase or decrease.

The Advisory Agreement provides that any operating expenses which have not been invoiced by the Advisor will not become our obligations. Without these provisions in the Advisory Agreement, such operating expenses, if invoiced, would likely be recorded as liabilities of ours, which, in turn, would likely have a negative effect on our NAV per share. The Advisory Agreement provides that the Advisor will not invoice us for any reimbursement if the impact of such would result in the incurrence of an obligation in an amount that would result in our NAV per share for any class of shares to be less than $25.00. We may, however, incur and record an obligation to reimburse the Advisor, even if it would result in our NAV per share for any class of shares for such quarter to be less than $25.00, if our board of directors determines that the reasons for the decrease of our NAV per share below $25.00 were unrelated to our obligation to reimburse the Advisor for operating expenses. The Advisory Agreement also provides that the Advisor may be reimbursed for previously unbilled operating expenses for prior periods in any subsequent quarter, subject to certain limitations, including the limitation related to the NAV per share of $25.00 referenced above and the 2%/25% limitation described in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Related Party Transactions – Fees and Expenses – Other Operating Expenses" below. The incurrence of previously unbilled operating expenses will likely have a negative effect on our NAV per share. As of December 31, 2020, the Advisor has incurred $4,050,170 of Unreimbursed Operating Expenses (as defined below), including $3,941,685 of Unreimbursed Operating Expenses that have not been invoiced to us.

The offering prices will change on a quarterly basis and investors will purchase shares at the offering price that is effective at the time their completed subscription agreement is accepted by us.

The offering prices for our classes of shares will change on a quarterly basis and investors will need to determine the price by checking our website at *www.rodinincometrust.com* or reading a supplement to our prospectus. Investors will purchase shares at the offering price that is effective at the time that his or her completed subscription agreement has been accepted by us. As a result, the offering price may change prior to the acceptance of such subscription by us from the price that was effective at the time such investor submitted his or her subscription agreement. In these situations, an investor will be purchasing the shares at the newly changed offering price.

Our stockholders will experience dilution.

Our stockholders will incur immediate dilution equal to the costs of the Offering we incur in selling such shares. This means that investors who purchase our shares of common stock will pay a price per share that exceeds the amount available to us to invest in assets. In addition, our stockholders do not have preemptive rights. Our board may elect to (i) sell additional shares in the Offering or future public offerings, including through the DRP, (ii) issue equity interests in private offerings, (iii) issue shares to our Advisor, or its successors or assigns, in payment of an outstanding fee obligation or (iv) issue shares of our common stock to sellers of assets we acquire in connection with an exchange of limited partnership interests of the Operating Partnership. To the extent we issue additional equity interests, investors who purchase shares in the Offering who do not participate in those other stock issuances will experience dilution in their percentage ownership of our outstanding shares. In addition, depending upon the terms and pricing of any additional offerings, the use of the proceeds and the value of our investments, investors may also experience dilution in the book value and fair value of their shares and in the earnings and distributions per share. Furthermore, investors may experience a dilution in the value of their shares depending on the terms and pricing of any share issuances (including the shares being sold in the Offering) and the value of our assets at the time of issuance.

Our ability to implement our investment strategy is dependent, in part, upon the ability of our Dealer Manager to successfully conduct the Offering, which makes an investment in us more speculative.

We have retained Cantor Fitzgerald & Co., an affiliate of our sponsor and our Advisor, to conduct the Offering as our Dealer Manager. The success of the Offering, and our ability to implement our business strategy, is dependent upon the ability of the Dealer Manager to build and maintain a network of broker-dealers to sell our shares to their clients. If our Dealer Manager is not successful in establishing, operating and managing this network of broker-dealers, our ability to raise proceeds through the Offering will be limited and we may not have adequate capital to implement our investment strategy. In addition, if our Dealer Manager has difficulties selling our shares of common stock, the amount of proceeds we raise in the Offering may be substantially less than the amount we would need to create a diversified portfolio of investments, which could result in less diversification in terms of the type, number and size of investments that we make. If we are unsuccessful in implementing our investment strategy, our stockholders could lose all or a part of their investment. As of March 23, 2021, the Company has raised net proceeds of $18,387,236 in the Offering.

The loss of or the inability to obtain key real estate professionals at our Advisor could delay or hinder implementation of our investment strategies, which could limit our ability to make distributions and decrease the value of our stockholders' investment.

Our success depends upon the contributions of Mr. Howard W. Lutnick and Mr. John C. Griffin, each of whom would be difficult to replace. Our Advisor does not have an employment agreement with any of these key personnel and we cannot guarantee that all, or any particular one, will remain affiliated with us and/or the Advisor. If any of these persons were to cease their association with us, whether because they are internalized into other Cantor sponsored programs, or otherwise, our operating results could suffer. We do not intend to maintain key person life insurance on any person. We believe that our future success depends, in large part, upon our Advisor's and its affiliates' ability to attract and retain highly skilled managerial, operational and marketing professionals. There is competition for such professionals, and our Advisor and its affiliates may be unsuccessful in attracting and retaining such skilled individuals. If we lose or are unable to obtain the services of highly skilled professionals our ability to implement our investment strategies could be delayed or hindered, and the value of our stockholders' investment may decline.

If we internalize our management functions, stockholders' interests in us could be diluted and we could incur other significant costs associated with being self-managed.

Our board of directors may decide in the future to internalize our management functions. If we do so, we may elect to negotiate to acquire assets of our Advisor and/or to directly employ the personnel of our sponsor or its affiliates that our Advisor utilizes to perform services on its behalf for us.

Additionally, while we would no longer bear the cost of the various fees and expenses we expect to pay to our Advisor under our Advisory Agreement, our additional direct expenses would include general and administrative costs, including certain legal, accounting and other expenses related to corporate governance, SEC reporting and compliance matters that otherwise would be borne by our Advisor. We would also be required to employ personnel and would be subject to potential liabilities commonly faced by employers, such as workers disability and compensation claims, potential labor disputes and other employee-related liabilities and grievances as well as incur the compensation and benefits costs of our officers and other employees and consultants that will be paid by our Advisor or its affiliates. We may issue equity awards to officers, employees and consultants of our Advisor or its affiliates in connection with an internalization transaction, which awards would decrease net income and MFFO and may further dilute stockholders' investment. We cannot reasonably estimate the amount of fees to our Advisor we would save or the costs we would incur if we became self-managed. If the expenses we assume as a result of an internalization are higher than the expenses we avoid paying to our Advisor, our net income and MFFO would be lower as a result of the internalization than it otherwise would have been, potentially decreasing the amount of cash available to distribute to our stockholders and the value of their shares.

Internalization transactions involving the acquisition of Advisors affiliated with entity sponsors have also, in some cases, been the subject of litigation. Even if these claims are without merit, we could be forced to spend significant amounts of money defending claims which would reduce the amount of funds available for us to invest and cash available to pay distributions.

If we internalize our management functions, we could have difficulty integrating these functions as a stand-alone entity. Currently, our Advisor and/or its affiliates perform portfolio management and general and administrative functions, including accounting and financial reporting, for multiple entities. These personnel have substantial know-how and experience which provides us with economies of scale. We may fail to properly identify the appropriate mix of personnel and capital needs to operate as a stand-alone entity. Certain key employees may not become our employees but may instead remain employees of our sponsor or its affiliates. An inability to manage an internalization transaction effectively could result in our incurring excess costs and suffering deficiencies in our disclosure controls and procedures or our internal control over financial reporting. Such deficiencies could cause us to incur additional costs and our management's attention could be diverted from most effectively managing our investments.

Our rights and the rights of our stockholders to recover claims against our independent directors are limited, which could reduce our stockholders and our recovery against our independent directors if they negligently cause us to incur losses.

Maryland law provides that a director has no liability in that capacity if he performs his duties in good faith, in a manner he reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Our charter provides that no independent director shall be liable to us or our stockholders for monetary damages and that we will generally indemnify them for losses unless they are grossly negligent or engage in willful misconduct. As a result, our stockholders and we may have more limited rights against our independent directors than might otherwise exist under common law, which could reduce our stockholders' and our recovery from these persons if they act in a negligent manner. In addition, we may be obligated to fund the defense costs incurred by our independent directors (as well as by our other directors, officers, employees (if we ever have employees) and agents) in some cases, which would decrease the cash otherwise available for distribution.

Our board of directors may change our investment policies generally and at the individual investment level without stockholder approval, which could alter the nature of our stockholders' investment.

Our charter requires that our independent directors review our investment policies at least annually to determine that the policies we are following are in the best interests of the stockholders. In addition to our investment policies, we also may change our stated strategy for any particular investment. These policies may change over time. The methods of implementing our investment policies also may vary, as new investment techniques are developed. Our investment policies, the methods for their implementation, and our other strategies, policies and procedures may be altered by our board of directors without the approval of our stockholders except to the extent that the policies are set forth in our charter. As a result, the nature of our stockholders' investment could change without their consent.

We will provide investors with information using FFO and MFFO, which are non-GAAP financial measures that may not be meaningful for comparing the performances of different REITs and that have certain other limitations.

We will provide investors with information using FFO and MFFO, which are non-GAAP measures, as additional measures of our operating performance. We expect to compute FFO in accordance with the standards established by NAREIT. We expect that we will compute MFFO in accordance with the definition established by the IPA. However, our computation of FFO and MFFO may not be comparable to other REITs that do not calculate FFO or MFFO using these definitions without further adjustments.

FFO and MFFO should be considered in conjunction with reported net income and cash flows from operations computed in accordance with U.S. GAAP, as presented in the financial statements. Neither FFO nor MFFO is equivalent to net income or cash generated from operating activities determined in accordance with U.S. GAAP and should not be considered as an alternative to net income, as an indicator of our operating performance or as an alternative to cash flow from operating activities as a measure of our liquidity.

Stockholders may not be able to sell their shares under our share repurchase program and, if they are able to sell their shares under the program, they may not be able to recover fully the amount of their investment in our shares.

Our share repurchase program includes numerous restrictions that limit stockholders' ability to sell their shares. Our stockholders must hold their shares for at least one year in order to participate in the share repurchase program, except for redemptions sought upon a stockholder's death, "qualifying disability" or "determination of incompetence." We limit the number of shares repurchased pursuant to the share repurchase program as follows: (i) during any calendar month, we may repurchase no more than 2% of the combined NAV of all classes of shares as of the last calendar day of the previous month (based on the most recently determined NAV per share) and (ii) during any calendar year, we may repurchase no more than 10% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar year. Further, we have no obligation to repurchase shares if the repurchase would violate the restrictions on distributions under Maryland law, which prohibits distributions that would cause a corporation to fail to meet statutory tests of solvency. These limits may prevent us from accommodating all repurchase requests made in any year. Our board is free to amend, suspend or terminate the share repurchase program upon 10 business days' notice. The restrictions of our share repurchase program will severely limit our stockholders' ability to sell their shares should they require liquidity and will limit their ability to recover the value they invest in us.

Because the Dealer Manager is one of our affiliates, our stockholders will not have the benefit of an independent due diligence review of us, the absence of which increases the risks and uncertainty they face as a stockholder.

Our Dealer Manager, Cantor Fitzgerald & Co., is one of our affiliates. Because our Dealer Manager is an affiliate, its due diligence review and investigation of us and the prospectus for the Offering cannot be considered to be an independent review. Therefore, our stockholders do not have the benefit of an independent review and investigation of the Offering of the type normally performed by an unaffiliated, independent underwriter in a public securities offering.

Payment of fees to our Advisor and its affiliates will reduce cash available for investment and distribution and increases the risk that our stockholders will not be able to recover the amount of their investment in our shares.

Our Advisor and its affiliates will perform services for us in connection with the selection, acquisition, origination, management, and administration of our investments. We will pay them substantial fees for these services, which will result in immediate dilution to the value of our stockholders investment and will reduce the amount of cash available for investment or distribution to stockholders. Compensation to be paid to our Advisor may be increased, subject to approval by our board of directors, including a majority of our independent directors, and the other limitations in our Advisory Agreement and charter, which would further dilute our stockholders' investment and reduce the amount of cash available for investment or distribution to stockholders. Depending primarily upon the number of shares of each class we sell in our Primary Offering and assuming that 40% of the proceeds are from the sale of Class A shares, 50% of the proceeds are from the sale of Class T shares and 10% of the proceeds are from the sale of Class I shares, we estimate that we will use 96.6% (assuming the full payment of Sponsor Support and all shares available pursuant to the DRP are sold) of the gross proceeds from the Primary Offering for investments.

These fees increase the risk that the amount available for distribution to common stockholders upon a liquidation of our portfolio would be less than the purchase price of the shares in the Offering. These substantial fees and other payments also increase the risk that our stockholders will not be able to resell their shares at a profit, even if our shares are listed on a national securities exchange.

Failure to procure adequate capital and funding would negatively impact our results and may, in turn, negatively affect our ability to make distributions to our stockholders.

We will depend upon the availability of adequate funding and capital for our operations. The failure to secure acceptable financing could reduce our taxable income, as our investments would no longer generate the same level of net income due to the lack of funding or increase in funding costs. A reduction in our net income could reduce our liquidity and our ability to make distributions to our stockholders. We cannot assure our stockholders that any, or sufficient, funding or capital will be available to us in the future on terms that are acceptable to us. Therefore, in the event that we cannot obtain sufficient funding on acceptable terms, there may be a negative impact on our ability to make distributions.

Risks Related to Our Corporate Structure

Our charter limits the number of shares a person may own, which may discourage a takeover that could otherwise result in a premium price to our stockholders.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. To help us comply with the REIT ownership requirements of the Internal Revenue Code, our charter prohibits a person from directly or constructively owning more than 9.8% in value of our outstanding stock or more than 9.8% in value or number of shares, whichever is more restrictive, of our outstanding common stock, unless exempted (prospectively or retroactively) by our board of directors. This restriction may have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price for holders of our common stock.

Our charter permits our board of directors to issue stock with terms that may subordinate the rights of our common stockholders or discourage a third party from acquiring us in a manner that could result in a premium price to our stockholders.

Our board of directors may classify or reclassify any unissued common stock or preferred stock into other classes or series of stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms or conditions of redemption of any such stock. Thus, our board of directors could authorize the issuance of preferred stock with priority as to distributions and amounts payable upon liquidation over the rights of the holders of our common stock. Such preferred stock could also have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price to holders of our common stock.

Maintenance of our Investment Company Act exemption imposes limits on our operations.

Neither we nor any of our subsidiaries intend to register as investment companies under the Investment Company Act. If we or our subsidiaries were obligated to register as investment companies, we would have to comply with a variety of substantive requirements under the Investment Company Act that impose, among other things:

- limitation on capital structure;
- restrictions on specified investments;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly increase our operating expenses.

Under the relevant provisions of Section 3(a)(1) of the Investment Company Act, an investment company is any issuer that:

- is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities (the “primarily engaged test”); or
- is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire “investment securities” having a value exceeding 40% of the value of such issuer’s total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis (the “40% test”). “Investment securities” excludes U.S. government securities and securities of majority-owned subsidiaries that are not themselves investment companies and are not relying on the exclusion from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act (relating to private investment companies).

By conducting our business through the Operating Partnership (itself a majority-owned subsidiary) and its and our other direct and indirect majority-owned subsidiaries established to carry out specific activities, we believe that we and our Operating Partnership will satisfy both (i.e., we will not be an "investment company" under either of the) tests above. With respect to the 40% test, most of the entities through which we and our Operating Partnership will own our assets will be majority-owned subsidiaries that are not themselves investment companies and are not relying on the exceptions from the definition of investment company under Section 3(c)(1) or Section 3(c)(7).

With respect to the primarily engaged test, we and our Operating Partnership will be holding companies. Through the majority-owned subsidiaries of our Operating Partnership, we and our Operating Partnership will be primarily engaged in the non-investment company businesses of these subsidiaries.

We believe that most of the subsidiaries of our Operating Partnership will be able to rely on Section 3(c)(5)(C) of the Investment Company Act for an exclusion from the definition of an investment company. (Any other subsidiaries of our Operating Partnership should be able to rely on the exclusions for private investment companies pursuant to Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act.) The exclusion provided by Section 3(c)(5)(C) of the Investment Company Act is available for, among other things, entities "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." As reflected in no-action letters, the SEC staff's position on Section 3(c)(5)(C) generally requires that an entity maintain at least 55% of its assets in qualifying interests and the remaining 45% of the entity's portfolio be comprised primarily of real estate-type interests (as such terms have been interpreted by the SEC's staff). The SEC staff no-action letters have indicated that the foregoing real estate-type interests test will be met if at least 25% of such entity's assets are invested in real estate-type interests, which threshold is subject to reduction to the extent that the entity invested more than 55% of its assets in qualifying interests, and no more than 20% of the value of such entity's assets are invested miscellaneous assets other than qualifying interests and real estate-type interests. To constitute a qualifying interest under this 55% requirement, a real estate investment must meet various criteria based on SEC staff no-action letters.

We may, however, in the future organize subsidiaries of the Operating Partnership that will rely on the exclusions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. If, however, the value of the subsidiaries of our Operating Partnership that must rely on Section 3(c)(1) or Section 3(c)(7) is greater than 40% of the value of the assets of our Operating Partnership, then we and our Operating Partnership may seek to rely on the exclusion under Section 3(c)(6) of the Investment Company Act if we and our Operating Partnership are "primarily engaged," directly and/or through majority-owned subsidiaries, in the business of purchasing or otherwise acquiring mortgages and other liens on or interests in real estate. The SEC staff has issued little interpretive guidance with respect to Section 3(c)(6); however, it is our view that we and our Operating Partnership may rely on Section 3(c)(6) if 55% of the assets of our Operating Partnership consist of, and at least 55% of the income of our Operating Partnership is derived from, majority-owned subsidiaries that rely on Section 3(c)(5)(C).

To maintain compliance with the Investment Company Act, we and/or our subsidiaries may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we or our subsidiaries may have to acquire additional assets that we might not otherwise have acquired or may have to forego opportunities to make investments that we would otherwise want to make and would be important to our investment strategy. Moreover, the SEC or its staff may issue interpretations with respect to various types of assets that are contrary to our views, and current SEC staff interpretations are subject to change, which increases the risk of non-compliance and the risk that we may be forced to make adverse changes to our portfolio. If we were required to register as an investment company but failed to do so, we would be prohibited from engaging in our business and criminal and civil actions could be brought against us. In addition, our contracts would be unenforceable unless a court required enforcement and a court could appoint a receiver to take control of us and liquidate our business.

Rapid changes in the values of our assets may make it more difficult for us to maintain our qualification as a REIT or our exception from the definition of an investment company under the Investment Company Act.

If the market value or income potential of (or actual income from) our qualifying interests (or from or of our Section 3(c)(5)(C) subsidiaries holding such interests) changes as compared to the market value or income potential of our non-qualifying interests, or if the market value or income potential of (or actual income from) our assets that are considered "real estate-type interests" under the Investment Company Act or "real estate-related assets" under the REIT qualification tests changes as compared to the market value or income potential of our assets that are not considered "real estate-type interests" under the Investment Company Act or "real estate-related assets" under the REIT qualification tests, whether as a result of increased interest rates, prepayment rates or other factors, we may need to modify our investment portfolio in order to maintain our REIT qualification or exception from the definition of an investment company. If the decline in asset values or income occurs quickly, this may be especially difficult, if not impossible, to accomplish. This difficulty may be exacerbated by the illiquid nature of many of the assets that we may own. We may have to make investment decisions that we otherwise would not make absent REIT and Investment Company Act considerations.

The loss of our Investment Company Act exemption could require us to register as an investment company or substantially change the way we conduct our business, either of which may have an adverse effect on us and the market price of our common stock.

On August 31, 2011, the SEC published a concept release (Release No. 29778, File No. S7-34-11, *Companies Engaged in the Business of Acquiring Mortgages and Mortgage Related Instruments*), pursuant to which it is reviewing whether certain companies that invest in mortgage-backed securities and rely on the exclusion from registration under Section 3(c)(5)(C) of the Investment Company Act, related to such investment activity (which may include one or more of our direct subsidiaries), should continue to be allowed to rely on such an exclusion from registration. If the SEC or its staff takes action with respect to this exclusion, these changes could mean that certain of our subsidiaries could no longer rely on the Section 3(c)(5)(C) exclusion and would have to rely on Section 3(c)(1) or 3(c)(7), which would mean that our investment in those subsidiaries would be investment securities. This could result in our failure to maintain our exclusion from registration as an investment company.

If we fail to maintain an exclusion from registration as an investment company, either because of SEC interpretational changes or otherwise, we could, among other things, be required either: (i) to substantially change the manner in which we conduct our operations to avoid being required to register as an investment company; or (ii) to register as an investment company, either of which could have an adverse effect on us. If we are required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use leverage), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), portfolio composition, including restrictions with respect to diversification and industry concentration and other matters.

Our Advisor is not registered and does not intend to register as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). If our Advisor is required to register as an investment adviser under the Advisers Act, it could impact our operations and possibly reduce your investment return.

Our Advisor is not currently registered as an investment adviser under the Advisers Act and does not expect to register as an investment adviser because it does not and does not intend to have sufficient regulatory assets under management to meet the eligibility requirement under Section 203A of the Advisers Act. Whether an adviser has sufficient regulatory assets under management to require registration under the Advisers Act depends on the nature of the assets it manages. In calculating regulatory assets under management, our Advisor must include the value of each "securities portfolio" it manages. Our Advisor expects that our assets will not constitute a securities portfolio so long as a majority of our assets consist of assets that we believe are not securities, including loans that we originate, real estate and cash. However, because we may also invest in several types of securities in accordance with our investment strategy and the SEC will not affirm our determination of what portion of our investments are not securities, there is a risk that such determination is incorrect and, as a result, our investments are a securities portfolio. In such event, our Advisor may be acting as an investment adviser subject to registration under the Advisers Act that is not registered. If our investments were to constitute a "securities portfolio", then our Advisor would be required to register under the Advisers Act, which would require it to comply with a variety of regulatory requirements under the Advisers Act on such matters as record keeping, disclosure, compliance, limitations on the types of fees it could earn and other fiduciary obligations. As a result, our Advisor would have devote additional time and resources and incur additional costs to manage our business, which could possibly reduce our stockholders' investment return.

Our stockholders will have limited control over changes in our policies and operations, which increases the uncertainty and risks they face as a stockholder.

Our board of directors determines our major policies, including our policies regarding financing, growth, debt capitalization, REIT qualification and distributions. Our board of directors may amend or revise these and other policies without a vote of the stockholders. Under Maryland General Corporation Law and our charter, our stockholders have a right to vote only on the following limited matters:

- the election or removal of directors;
- the amendment of our charter, except that our board of directors may amend our charter without stockholder approval to (a) increase or decrease the aggregate number of our shares of stock or the number of shares of stock of any class or series that we have the authority to issue, (b) effect certain reverse stock splits, and (c) change our name or the name or other designation or the par value of any class or series of our stock and the aggregate par value of our stock;
- our liquidation or dissolution;
- our conversion;
- statutory share exchanges;
- certain reorganizations of our company, as provided in our charter; and
- certain mergers, consolidations or sales or other dispositions of all or substantially all our assets, as provided in our charter.

Our board's broad discretion in setting policies and our stockholders' inability to exert control over those policies increases the uncertainty and risks they face as a stockholder.

If we do not successfully implement a liquidity transaction, our stockholders may have to hold their investment for an indefinite period.

Our charter does not require our board of directors to pursue a transaction providing liquidity to our stockholders. If our board of directors determines to pursue a liquidity transaction, we would be under no obligation to conclude the process within a set time. If we adopt a plan of liquidation and/or sale, the timing of the sale of assets will depend on real estate and financial markets, economic conditions in areas in which our investments are located and federal income tax effects on our stockholders that may prevail in the future. We cannot guarantee that we will be able to liquidate all of our assets on favorable terms, if at all. In addition, we are not restricted from effecting a liquidity transaction with a company affiliated with Cantor, which may result in certain conflicts of interest. After we adopt a plan of liquidation and/or sale, we would likely remain in existence until all our investments are liquidated. If we do not pursue a liquidity transaction or delay such a transaction due to market conditions, our common stock may continue to be illiquid and our stockholders may, for an indefinite period of time, be unable to convert their shares to cash easily, if at all, and could suffer losses on their investment in our shares.

Our charter includes a provision that may discourage a stockholder from launching a tender offer for our shares.

Our charter provides that any tender offer made by a person, including any "mini-tender" offer, must comply with most provisions of Regulation 14D of the Securities Exchange Act of 1934, as amended. The offeror must provide our company notice of such tender offer at least 10 business days before initiating the tender offer. If the offeror does not comply with these requirements, no person may transfer any shares held by such person to the offeror without first offering the shares to us at the tender offer price offered in such tender offer. In addition, the noncomplying offeror person shall be responsible for all of our company's expenses in connection with that offeror's noncompliance. This provision of our charter may discourage a person from initiating a tender offer for our shares and prevent you from receiving a premium price for your shares in such a transaction.

Federal Income Tax Risks

If we fail to qualify as a REIT, our operations and our ability to pay distributions to our stockholders would be adversely impacted.

The Company has elected and qualified to be taxed as a REIT for U.S. federal income tax purposes, beginning with the taxable year ending December 31, 2019. We have received the opinion of our U.S. federal income tax counsel, Greenberg Traurig, LLP, in connection with the Offering and with respect to our qualification as a REIT, although we do not intend to request a ruling from the Internal Revenue Service as to our REIT status. The opinion of Greenberg Traurig, LLP represents only the view of our counsel based on our counsel's review and analysis of existing law and on certain representations as to factual matters and covenants made by us, including representations relating to the values of our assets and the sources of our income and is not binding on the Internal Revenue Service or any court. Greenberg Traurig, LLP has no obligation to advise us or the holders of our common stock of any subsequent change in the matters stated, represented or assumed in its opinion or of any subsequent change in applicable law. Furthermore, both the validity of the opinion of Greenberg Traurig, LLP and our qualification as a REIT will depend on our satisfaction of numerous requirements (some on an annual and quarterly basis) established under highly technical and complex provisions of the Code, for which there are only limited judicial or administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. The complexity of these provisions and of the applicable income tax regulations that have been promulgated under the Code is greater in the case of a REIT that holds its assets through a partnership, as we do. Moreover, no assurance can be given that legislation, new regulations, administrative interpretations or court decisions will not change the tax laws with respect to qualification as a REIT or the U.S. federal income tax consequences of that qualification.

If we were to fail to qualify as a REIT in any taxable year:

- we would not be allowed to deduct our distributions to our stockholders when computing our taxable income;
- we would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates;
- we would be disqualified from being taxed as a REIT for the four taxable years following the year during which qualification was lost, unless entitled to relief under certain statutory provisions;
- our cash available for distribution would be reduced and we would have less cash to distribute to our stockholders; and
- we might be required to borrow additional funds or sell some of our assets in order to pay corporate tax obligations we may incur as a result of our disqualification.

Our stockholders may have current tax liability on distributions they elect to reinvest in our common stock.

If our stockholders participate in the DRP, they will be deemed to have received, and for income tax purposes will be taxed on, the amount reinvested in shares of our common stock to the extent the amount reinvested was not a tax-free return of capital. In addition, they will be treated for tax purposes as having received an additional distribution to the extent the shares are purchased at a discount to fair market value, if any. As a result, unless a stockholder is a tax-exempt entity, they may have to use funds from other sources to pay their tax liability on the value of the shares of common stock received.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to other tax liabilities that reduce our cash flow and our ability to make distributions.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to some federal, state and local taxes on our income or property. For example:

- In order to qualify as a REIT, we must distribute annually at least 90% of our REIT taxable income to our stockholders (which is determined without regard to the dividends paid deduction or net capital gain). To the extent that we satisfy the distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on the undistributed income.
- We will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions we pay in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years.
- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or certain leasehold terminations as "foreclosure property," we may avoid the 100% tax on the gain from a resale of that property, but the income from the sale or operation of that property may be subject to corporate income tax at the highest applicable rate.
- If we sell an asset, other than foreclosure property, that we hold primarily for sale to customers in the ordinary course of business, our gain would be subject to the 100% "prohibited transaction" tax unless such sale were made by one of our taxable REIT subsidiaries.

In the event RIT REIT Sub I, Inc. were to fail to qualify as a REIT for federal income tax purposes, we may also fail to qualify as a REIT as a result thereof or be subject to potentially significant penalty taxes.

For the tax years beginning after December 31, 2019, RIT REIT Sub I, Inc. intends to elect to be taxed as a REIT. In the event RIT REIT Sub I, Inc. were to fail to qualify as a REIT for federal income tax purposes, we may be deemed to fail the asset test for one or more quarters. Under certain circumstances, and provided there is reasonable cause for the failure and certain other requirements are met, we would be subject to an excise tax equal to the maximum corporate rate (currently 21%) multiplied by the net amount of dividend income received from RIT REIT Sub I, Inc. during any such quarter, but would retain our qualification as a REIT. In the absence of reasonable cause for such failure or the satisfaction of such other requirements, we would lose our REIT status, effective as of the taxable year in which the asset test was first failed to be satisfied as of the close of any quarter taking into account any applicable cure periods. If we were to lose our REIT status we would be precluded from re-electing to be taxed as REIT until the fifth subsequent calendar year. If we fail to qualify as a REIT, our operations and our ability to pay distributions to our stockholders would be adversely impacted.

Our investments in debt instruments may cause us to recognize taxable income in excess of cash received related to that income for federal income tax purposes even though no cash payments have been received on the debt instruments.

It is expected that we may acquire debt instruments in the secondary market for less than their face amount. The amount of such discount will generally be treated as "market discount" for federal income tax purposes. We may acquire distressed debt investments that are subsequently modified by agreement with the borrower. If the amendments to the outstanding debt are "significant modifications" under the applicable Treasury regulations, the modified debt may be considered to have been reissued to us in a debt-for-debt exchange with the borrower. This deemed reissuance may prevent the modified debt from qualifying as a good REIT asset if the underlying security has declined in value, and could cause us to recognize taxable income in excess of cash received related to that income.

In general, we will be required to accrue original issue discount on a debt instrument as taxable income in accordance with applicable federal income tax rules even though no cash payments may be received on such debt instrument.

In the event a borrower with respect to a particular debt instrument encounters financial difficulty rendering it unable to pay stated interest as due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income. Similarly, we may be required to accrue interest income with respect to subordinate residential and commercial mortgage-backed securities at the stated rate regardless of when their corresponding cash payments are received.

As a result of these factors, there is a significant risk that we may recognize substantial taxable income in excess of cash available for distribution. In that event, we may need to borrow funds or take other action to satisfy the REIT distribution requirements for the taxable year in which we recognize taxable income in excess of cash received related to that income is recognized.

REIT distribution requirements could adversely affect our ability to execute our business plan.

We generally must distribute annually at least 90% of our REIT taxable income, subject to certain adjustments and excluding any net capital gain, in order for federal corporate income tax not to apply to earnings that we distribute. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed REIT taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under federal tax laws. We intend to make distributions to our stockholders to comply with the REIT requirements of the Internal Revenue Code.

From time to time, we may generate taxable income greater than our taxable income for financial reporting purposes, or our taxable income may be greater than our cash flow available for distribution to stockholders (for example, where a borrower defers the payment of interest in cash pursuant to a contractual right or otherwise).

If we do not have other funds available in these situations we could be required to borrow funds, sell investments at disadvantageous prices or find another alternative source of funds to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution requirements and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce our equity. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

To maintain our REIT status, we may be forced to forego otherwise attractive business or investment opportunities, which may delay or hinder our ability to meet our investment objectives and reduce our stockholders' overall return.

To qualify as a REIT, we must satisfy certain tests on an ongoing basis concerning, among other things, the sources of our income, nature of our assets and the amounts we distribute to our stockholders. We may be required to make distributions to stockholders at times when it would be more advantageous to reinvest cash in our business or when we do not have funds readily available for distribution. Compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits and the value of our stockholders' investment.

Potential characterization of distributions or gain on sale may be treated as unrelated business taxable income to tax-exempt investors.

If (i) all or a portion of our assets are subject to the rules relating to taxable mortgage pools, (ii) we are a "pension-held REIT," (iii) a tax-exempt stockholder has incurred debt to purchase or hold our common stock, or (iv) the residual Real Estate Mortgage Investment Conduit interests, or REMICs, we buy (if any) generate "excess inclusion income," then a portion of the distributions to and, in the case of a stockholder described in clause (iii), gains realized on the sale of common stock by such tax-exempt stockholder may be subject to federal income tax as unrelated business taxable income under the Internal Revenue Code.

The "taxable mortgage pool" rules may increase the taxes that we or our stockholders incur and may limit the manner in which we conduct securitizations or financing arrangements.

We may be deemed to be ourselves or make investments in entities that own or are themselves deemed to be taxable mortgage pools. As a REIT, provided that we own 100% of the equity interests in a taxable mortgage pool, we generally would not be adversely affected by the characterization of the securitization as a taxable mortgage pool. Certain categories of stockholders, however, such as foreign stockholders eligible for treaty or other benefits, stockholders with net operating losses, and certain tax-exempt stockholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the taxable mortgage pool. In addition, to the extent that our stock is owned by tax-exempt "disqualified organizations," such as certain government-related entities that are not subject to tax on unrelated business income, we will incur a corporate-level tax on a portion of our income from the taxable mortgage pool. In that case, we are authorized to reduce and intend to reduce the amount of our distributions to any disqualified organization whose stock ownership gave rise to the tax by the amount of such tax paid by us that is attributable to such stockholder's ownership.

Similarly, certain of our securitizations or other borrowings could be considered to result in the creation of a taxable mortgage pool for federal income tax purposes. We intend to structure our securitization and financing arrangements as to not create a taxable mortgage pool. However, if we have borrowings with two or more maturities and (i) those borrowings are secured by mortgages or residential or commercial mortgage-backed securities and (ii) the payments made on the borrowings are related to the payments received on the underlying assets, then the borrowings and the pool of mortgages or residential or commercial mortgage-backed securities to which such borrowings relate may be classified as a taxable mortgage pool under the Internal Revenue Code. If any part of our investments were to be treated as a taxable mortgage pool, then our REIT status would not be impaired, provided we own 100% of such entity, but a portion of the taxable income we recognize may be characterized as "excess inclusion" income and allocated among our stockholders to the extent of and generally in proportion to the distributions we make to each stockholder. Any excess inclusion income would:

- not be allowed to be offset by a stockholder's net operating losses;
- be subject to a tax as unrelated business income if a stockholder were a tax-exempt stockholder;
- be subject to the application of federal income tax withholding at the maximum rate (without reduction for any otherwise applicable income tax treaty) with respect to amounts allocable to foreign stockholders; and
- be taxable (at the highest corporate tax rate) to us, rather than to our stockholders, to the extent the excess inclusion income relates to stock held by disqualified organizations (generally, tax-exempt companies not subject to tax on unrelated business income, including governmental organizations).

The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to qualify as a REIT.

The Internal Revenue Service has issued Revenue Procedure 2003-65, which provides a safe harbor pursuant to which a mezzanine loan that is secured by interests in a pass-through entity will be treated by the Internal Revenue Service as a real estate asset for purposes of the REIT tests, and interest derived from such loan will be treated as qualifying mortgage interest for purposes of the REIT 75% income test. Although the Revenue Procedure provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. We intend to make investments in loans secured by interests in pass-through entities in a manner that complies with the various requirements applicable to our qualification as a REIT. To the extent, however, that any such loans do not satisfy all of the requirements for reliance on the safe harbor set forth in the Revenue Procedure, there can be no assurance that the Internal Revenue Service will not challenge the tax treatment of such loans, which could jeopardize our ability to qualify as a REIT.

The tax on prohibited transactions will limit our ability to engage in transactions, including certain methods of securitizing mortgage loans, that would be treated as sales for federal income tax purposes.

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of assets, other than foreclosure property, deemed held primarily for sale to customers in the ordinary course of business. We might be subject to this tax if we were to dispose of or securitize loans in a manner that was treated as a sale of the loans for federal income tax purposes. Therefore, in order to avoid the prohibited transactions tax, we may choose not to engage in certain sales of loans at the REIT level, and may limit the structures we utilize for our securitization transactions, even though the sales or structures might otherwise be beneficial to us.

It may be possible to reduce the impact of the prohibited transaction tax by conducting certain activities through taxable REIT subsidiaries. However, to the extent that we engage in such activities through taxable REIT subsidiaries, the income associated with such activities may be subject to full corporate income tax.

Complying with REIT requirements may force us to liquidate otherwise attractive investments.

To qualify as a REIT, we must ensure that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets, including certain mortgage loans and residential and commercial mortgage-backed securities. The remainder of our investment in securities (other than government securities and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20% of the value of our total assets can be represented by securities of one or more taxable REIT subsidiaries. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate from our portfolio otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

Liquidation of assets may jeopardize our REIT qualification.

To qualify as a REIT, we must comply with requirements regarding our assets and our sources of income. If we are compelled to liquidate our investments to repay obligations to our lenders, we may be unable to comply with these requirements, ultimately jeopardizing our qualification as a REIT, or we may be subject to a 100% tax on any resultant gain if we sell assets that are treated as dealer property or inventory.

Characterization of any repurchase agreements we enter into to finance our investments as sales for tax purposes rather than as secured lending transactions would adversely affect our ability to qualify as a REIT.

We may enter into repurchase agreements with a variety of counterparties to achieve our desired amount of leverage for the assets in which we invest. When we enter into a repurchase agreement, we generally sell assets to our counterparty to the agreement and receive cash from the counterparty. The counterparty is obligated to resell the assets back to us at the end of the term of the transaction. We believe that for federal income tax purposes we will be treated as the owner of the assets that are the subject of repurchase agreements and that the repurchase agreements will be treated as secured lending transactions notwithstanding that such agreement may transfer record ownership of the assets to the counterparty during the term of the agreement. It is possible, however, that the Internal Revenue Service could successfully assert that we did not own these assets during the term of the repurchase agreements, in which case we could fail to qualify as a REIT if tax ownership of these assets was necessary for us to meet certain income and/or asset tests.

Complying with REIT requirements may limit our ability to hedge effectively.

The REIT provisions of the Internal Revenue Code may limit our ability to hedge our assets and operations. Under these provisions, any income that we generate from transactions intended to hedge our interest rate, inflation and/or currency risks will be excluded from gross income for purposes of the REIT 75% and 95% gross income tests if the instrument hedges (i) interest rate risk on liabilities incurred to carry or acquire real estate or (ii) risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the REIT 75% or 95% gross income tests, and such instrument is properly identified under applicable Treasury Regulations. Income from hedging transactions that do not meet these requirements will generally constitute nonqualifying income for purposes of both the REIT 75% and 95% gross income tests. As a result of these rules, we may have to limit our use of hedging techniques that might otherwise be advantageous, which could result in greater risks associated with interest rate or other changes than we would otherwise incur.

Ownership limitations may restrict change of control or business combination opportunities in which our stockholders might receive a premium for their shares.

In order for us to qualify as a REIT, no more than 50% in value of our outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals during the last half of any calendar year. “Individuals” for this purpose include natural persons, and some entities such as private foundations. To preserve our REIT qualification, our charter generally prohibits any person from directly or indirectly owning more than 9.8% in value of our outstanding stock or more than 9.8% in value or number of shares, whichever is more restrictive, of our outstanding common stock. This ownership limitation could have the effect of discouraging a takeover or other transaction in which holders of our common stock might receive a premium for their shares over the then prevailing market price or which holders might believe to be otherwise in their best interests.

Our ownership of and relationship with our taxable REIT subsidiaries will be limited and a failure to comply with the limits would jeopardize our REIT status and may result in the application of a 100% excise tax.

A REIT may own up to 100% of the stock of one or more taxable REIT subsidiaries. A taxable REIT subsidiary may earn income that would not be qualifying income if earned directly by the parent REIT. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a taxable REIT subsidiary. A corporation of which a taxable REIT subsidiary directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a taxable REIT subsidiary. Overall, no more than 20% of the value of a REIT’s assets may consist of stock or securities of one or more taxable REIT subsidiaries. A domestic taxable REIT subsidiary will pay federal, state and local income tax at regular corporate rates on any income that it earns. In addition, the taxable REIT subsidiary rules limit the deductibility of interest paid or accrued by a taxable REIT subsidiary to its parent REIT to assure that the taxable REIT subsidiary is subject to an appropriate level of corporate taxation. The rules also impose a 100% excise tax on certain transactions between a taxable REIT subsidiary and its parent REIT that are not conducted on an arm’s-length basis. We cannot assure our stockholders that we will be able to comply with the 20% value limitation on ownership of taxable REIT subsidiary stock and securities on an ongoing basis so as to maintain REIT status or to avoid application of the 100% excise tax imposed on certain non-arm’s length transactions.

Our ability to deduct business interest paid or accrued may be limited.

Under the recently enacted tax legislation passed by Congress in December, 2017, and referred to as the Tax Cuts and Jobs Act (“TJIA”), in general, the deductibility of the “net interest” paid or accrued, as applicable, of a business, other than certain small businesses, is limited to 30% of the business’s adjusted taxable income, defined generally to mean business taxable income computed without regard to business interest income or deductions or net operating loss deductions. For tax years beginning after December 31, 2017 and before January 1, 2022, the TCJA calculates adjusted taxable income using a tax EBITDA-based calculation. For tax years beginning January 1, 2022 and thereafter, the calculation of adjusted taxable income will not add back depreciation or amortization. Interest that is disallowed as a result of this limitation can be carried forward indefinitely.

If we determine that we would be negatively impacted by this rule and provided that we qualify as a "real property trade or business," an election could be made to permit us to deduct 100% of the interest expense. If such an election is made, the electing "real property trade or business" is thereafter required to use the less favorable alternative depreciation system to depreciate real property used in its trade or business. Under the TCJA, the alternative depreciation system lives are as follows: 30 years for residential real property (previously 40 years), 40 years for non-residential property (no change), and 20 years for qualified improvement property (previously 40 years). For this purpose, a "real estate trade or business" is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. We believe that we would qualify as a "real property trade or business", however, we will not seek a tax opinion of guidance from the IRS with respect to this determination. There is no statutory provision or other authority grandfathering existing debt from this limitation.

We may be subject to adverse legislative or regulatory tax changes.

At any time, the federal income tax laws or regulations governing REITs or the administrative interpretations of those laws or regulations may be amended. We cannot predict when or if any new federal income tax law, regulation or administrative interpretation, or any amendment to any existing federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in, or any new, federal income tax law, regulation or administrative interpretation.

Dividends payable by REITs do not qualify for the reduced tax rates but may be eligible for a 20% deduction if received by an individual.

Legislation enacted in 2003 and modified in 2005, 2010 and 2013 generally reduces the maximum tax rate for dividends payable to certain shareholders who are domestic individuals, trusts and estates to 20%. Dividends payable by REITs, however, are generally not eligible for the reduced rates. Although this legislation does not adversely affect the taxation of REITs or dividends paid by REITs, the more favorable rates applicable to regular corporate dividends could cause certain investors to perceive investments in REITs to be relatively less attractive than investments in stock of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including our common stock. Notwithstanding the foregoing, however, effective January 1, 2018, ordinary income dividends of a REIT (excluding distributions traceable to the dividends paid by a TRS of such REIT), are generally eligible for a 20% deduction from the taxable income of an individual including such dividends in their net taxable income.

Retirement Plan Risks

If the fiduciary of an employee benefit plan subject to ERISA (such as a profit sharing, Section 401(k) or pension plan) or an owner of a retirement arrangement subject to Section 4975 of the Internal Revenue Code (such as an IRA) fails to meet the fiduciary and other standards under ERISA or the Internal Revenue Code as a result of an investment in our stock, the fiduciary could be subject to penalties and other sanctions.

There are special considerations that apply to employee benefit plans subject to ERISA (such as profit sharing, Section 401(k) or pension plans) and other retirement plans or accounts subject to Section 4975 of the Internal Revenue Code (such as an IRA) that are investing in our shares. Fiduciaries and IRA owners investing the assets of such a plan or account in our common stock should satisfy themselves that:

- the investment is consistent with their fiduciary and other obligations under ERISA and the Internal Revenue Code;
- the investment is made in accordance with the documents and instruments governing the plan or IRA, including the plan's or account's investment policy;
- the investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA and other applicable provisions of ERISA and the Internal Revenue Code;
- the investment in our shares, for which no public market currently exists, is consistent with the liquidity needs of the plan or IRA;
- the investment will not produce an unacceptable amount of "unrelated business taxable income" for the plan or IRA;
- our stockholders will be able to comply with the requirements under ERISA and the Internal Revenue Code to value the assets of the plan or IRA annually; and
- the investment will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

With respect to the annual valuation requirements described above, we will provide an NAV per share for each class of our stock on a quarterly basis. We can make no claim whether such NAV per share will or will not satisfy the applicable annual valuation requirements under ERISA and the Internal Revenue Code. The Department of Labor or the Internal Revenue Service may determine that a plan fiduciary or an IRA custodian is required to take further steps to determine the value of our common stock. In the absence of an appropriate determination of value, a plan fiduciary or an IRA custodian may be subject to damages, penalties or other sanctions.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA and the Internal Revenue Code may result in the imposition of civil and criminal penalties and could subject the fiduciary to claims for damages or for equitable remedies, including liability for investment losses. In addition, if an investment in our shares constitutes a prohibited transaction under ERISA or the Internal Revenue Code, the fiduciary or IRA owner who authorized or directed the investment may be subject to the imposition of excise taxes with respect to the amount invested. In addition, the investment transaction must be undone. In the case of a prohibited transaction involving an IRA owner, the IRA may be disqualified as a tax-exempt account and all of the assets of the IRA may be deemed distributed and subjected to tax. ERISA plan fiduciaries and IRA owners should consult with counsel before making an investment in our common stock.

General Risks

Defects or disruptions in our technology or services could diminish demand for our products and service and subject us to liability.

Because our technology, products and services are complex and use or incorporate a variety of computer hardware, software and databases, both developed in-house and acquired from third-party vendors, our technology, products and services may have errors or defects. Errors and defects could result in unanticipated downtime or failure, and could cause financial loss and harm to our reputation and our business.

If we experience computer systems failures or capacity constraints, our ability to conduct our business operations could be materially harmed.

If we experience computer systems failures or capacity constraints, our ability to conduct our business operations could be harmed. We support and maintain many of our computer systems and networks internally. Our failure to monitor or maintain these systems and networks or, if necessary, to find a replacement for this technology in a timely and cost-effective manner, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Although all of our business critical systems have been designed and implemented with fault tolerant and/or redundant clustered hardware and diversely routed network connectivity, our redundant systems or disaster recovery plans may prove to be inadequate. We may be subject to system failures and outages that might impact our revenues and relationships with clients. In addition, we will be subject to risk in the event that systems of our clients, business partners, vendors and other third parties are subject to failures and outages.

We rely on third-party service providers for certain aspects of our business, including for certain information systems, stockholder services, technology and administration. Our systems, or those of our third-party providers, may fail or operate slowly, causing one or more of the following, which may not in all cases be covered by insurance:

- unanticipated disruptions in service to our clients;
- slower response times;
- financial losses;
- litigation or other client claims; and
- regulatory actions.

We may experience additional systems failures in the future from power or telecommunications failures, acts of God or war, weather-related events, terrorist attacks, human error, natural disasters, fire, power loss, sabotage, cyber-attacks, hardware or software malfunctions or defects, computer viruses, intentional acts of vandalism and similar events. Any system failure that causes an interruption in service or decreases the responsiveness of our service could damage our reputation, business and brand name.

Malicious cyber-attacks and other adverse events affecting our operational systems or infrastructure, or those of third parties, could disrupt our business, result in the disclosure of confidential information, damage our reputation and cause losses or regulatory penalties.

Developing and maintaining our operational systems and infrastructure is challenging, particularly as a result of rapidly evolving legal and regulatory requirements and technological shifts. Our financial, accounting, data processing or other operating and compliance systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, such as a malicious cyber-attack or other adverse events, which may adversely affect our ability to provide services.

In addition, our operations rely on the secure processing, storage and transmission of confidential and other information on our computer systems and networks. Although we take protective measures such as software programs, firewalls and similar technology, to maintain the confidentiality, integrity and availability of our and our clients' information, and endeavor to modify these protective measures as circumstances warrant, the nature of cyber threats continues to evolve. As a result, our computer systems, software and networks may be vulnerable to unauthorized access, loss or destruction of data (including confidential client information), account takeovers, unavailability or disruption of service, computer viruses, acts of vandalism, or other malicious code, cyber-attack and other adverse events that could have an adverse security impact. Despite the defensive measures we have taken, these threats may come from external factors such as governments, organized crime, hackers, and other third parties such as outsource or infrastructure-support providers and application developers, or may originate internally from within us.

We also face the risk of operational disruption, failure, termination or capacity constraints of any of the third parties that facilitate our business activities. Such parties could also be the source of a cyber-attack on or breach of our operational systems, data or infrastructure.

There have been an increasing number of cyber-attacks in recent years in various industries, and cyber-security risk management has been the subject of increasing focus by our regulators. If one or more cyber-attacks occur, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our, as well as our clients' or other third parties', operations, which could result in reputational damage, financial losses and/or client dissatisfaction, which may not in all cases be covered by insurance. Any such cyber incidents involving our computer systems and networks, or those of third parties important to our business, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Principal Executive Offices

Our principal executive and administrative offices are located in leased space at 110 East 59th Street, New York, New York 10022. We do not own any real property. We consider these facilities to be suitable and adequate for the management and operations of our business.

Item 3. Legal Proceedings.

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of December 31, 2020, we were not involved in any material legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

As of March 23, 2021, we had approximately 804,981 shares of common stock outstanding, held by a total of 188 stockholders of record. There is no established trading market for our common stock. Therefore, there is a risk that a stockholder may not be able to sell our stock at a time or price acceptable to the stockholder, or at all. Unless and until our shares are listed on a national securities exchange, we do not expect that a public market for the shares will develop.

On November 30, 2017, the Company filed a registration statement with the SEC on Form S-11 in connection with the Offering of up to $1.25 billion in shares of common stock, consisting of up to $1.0 billion in shares in its Primary Offering and up to $250 million in shares pursuant to its DRP. The registration statement was subsequently declared effective by the SEC on May 2, 2018. In addition, on June 28, 2018, the Company satisfied the Minimum Offering Requirement for the Offering as a result of CFI's purchase of $2.0 million in Class I shares at $25.00 per share.

The Company determines its NAV as of the end of each quarter. As of December 31, 2020, the Company's NAV was $23.09 per Class A share, $23.07 per Class T share and $23.09 per Class I share. As of March 23, 2021, the per share purchase price for shares of common stock in the Primary Offering was $24.31 per Class A share, $23.54 per Class T share and $23.09 per Class I share. The price for each class of shares of common stock in the Company's DRP was $23.09. The Company's board of directors adjusts the offering prices of each class of shares such that the purchase price per share for each class equals the NAV per share as of the most recent valuation date, as determined on a quarterly basis, plus applicable upfront selling commissions and dealer manager fees, less applicable Sponsor Support.

The Company's shares of common stock consist of Class A shares, Class T shares and Class I shares, all of which are collectively referred to herein as shares of common stock. As of December 31, 2020, the Company's total number of authorized shares of common stock was 410,000,000 consisting of 160,000,000 of Class A authorized common shares, 200,000,000 of Class T authorized common shares and 50,000,000 of Class I authorized common shares. The Company has the right to reallocate the shares of common stock offered between the Primary Offering and the DRP. The Class A shares, Class T shares and Class I shares have identical rights and privileges, including identical voting rights, but have different upfront selling commissions and dealer manager fees and the Class T shares have an ongoing distribution fee. The per share amount of distributions on Class T shares will be lower than the per share amount of distributions on Class A shares and Class I shares because of the on-going distribution fee that is payable with respect to Class T shares sold in the Primary Offering.

The Company also has 50 million shares of preferred stock, $0.01 par value, authorized. No shares of preferred stock are issued or outstanding.

As of December 31, 2020, the Company had sold 793,652 shares of its common stock (consisting of 408,379 Class A shares, 175,241 Class I shares and 210,033 Class T shares) in the Offering for aggregate net proceeds of $18,314,241.

Distributions

The Company's board of directors authorized, and the Company declared, distributions through August 14, 2019 in an amount equal to $0.004357260, for the period August 15, 2019 through November 14, 2019 in an amount equal to $0.004493151, and for the period November 15, 2019 through May 14, 2021 in an amount equal to $0.004602739, per day (or approximately $1.68 on an annual basis) per share of Class A common stock, Class I common stock and Class T common stock, less, for holders of the shares of Class T common stock, the distribution fees that are payable with respect to shares of Class T common stock. The distributions are payable by the 5th business day following each month end to stockholders of record at the close of business each day during the prior month.

The amount of distributions payable to the Company's stockholders will be determined by the board of directors and is dependent on a number of factors, including funds available for distribution, the Company's financial condition, capital expenditure requirements, requirements of Maryland law and annual distribution requirements needed to qualify and maintain its status as a REIT. The Company's board of directors may reduce the amount of distributions paid or suspend distribution payments at any time, and therefore distribution payments are not assured.

To ensure that the Company has sufficient funds to cover cash distributions authorized and declared during the Offering, the Company and CFI entered into a distribution support agreement. The terms of the agreement provide that in the event that cash distributions exceed the Company's defined modified funds from operations ("MFFO"), defined as a supplemental measure to reflect the operating performance of a non-traded REIT, for any calendar quarter through the termination of the Primary Offering, CFI shall purchase Class I shares from the Company in an amount equal to the distribution shortfall, up to $5 million (less the amount from any shares purchased by CFI in order to satisfy the Minimum Offering Requirement).

As of December 31, 2020 and December 31, 2019, the Company has declared common share distributions of $1,683,923 and $638,448, respectively, of which $110,004 and $67,730, respectively, was unpaid as of the respective reporting dates and has been recorded as Distributions payable on the accompanying consolidated balance sheets. All of the unpaid distributions as of December 31, 2020 and December 31, 2019 were paid during January 2021 and January 2020, respectively. As of December 31, 2020 and December 31, 2019, distributions reinvested pursuant to the Company's DRP are $251,548 and $72,661, respectively.

The following table provides information regarding distributions declared by the Company during the years ended December 31, 2020 and December 31, 2019.

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Amount	**Percent**	**Amount**	**Percent**
Distributions				
Paid in cash	$ 769,009	73%	$ 447,611	77%
Payable	110,004	11%	67,730	12%
Reinvested in shares	166,462	16%	66,341	11%
Total distributions	**$ 1,045,475**	**100%**	**$ 581,682**	**100%**
Sources of Distributions:				
Operating cash flows	$ 1,045,475	100%	$ 581,682	100%
Offering proceeds pursuant to Distribution Support Agreement	—	0%	—	0%
Offering proceeds	—	0%	—	0%
Total sources of distributions	**$ 1,045,475**	**100%**	**$ 581,682**	**100%**

Redemptions

Stockholders are eligible to have their shares repurchased by the Company pursuant to the Amended and Restated Share Repurchase Program. The Company will repurchase shares at a price equal to, or at a discount from, NAV per share of the share class being repurchased subject to certain holding period requirements which effect the repurchase price as a percentage of NAV.

The Amended and Restated Share Repurchase Program includes numerous restrictions that limit stockholders' ability to have their shares repurchased. The Company limits the number of shares repurchased pursuant to the Amended and Restated Share Repurchase Program as follows: (i) during any calendar month, the Company may repurchase no more than 2% of the combined NAV of all classes of shares as of the last calendar day of the previous month (based on the most recently determined NAV per share) and (ii) during any calendar year, the Company may repurchase no more than 10% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar year. Further, the Company also has no obligation to repurchase shares if the redemption would violate the restrictions on distributions under Maryland law, which prohibits distributions that would cause a corporation to fail to meet statutory tests of solvency. The Company may amend, suspend or terminate the program for any reason upon 10 business days' notice.

The table below summarizes the repurchase activity for the year ended December 31, 2020:

For the Month Ended	Total Number of Shares Redeemed	Average Price Paid per Share	Total Number of Shares Redeemed as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Redeemed Under the Plans or Programs[1]
January 31, 2020	—	$ —	—	8,993
February 29, 2020	—	$ —	—	8,993
March 31, 2020	273	$ 22.52	273	9,591
April 30, 2020	1,151	$ 23.46	1,151	8,713
May 31, 2020	—	$ —	—	9,864
June 30, 2020	1,638	$ 22.51	1,638	10,503
July 31, 2020	—	$ —	—	12,141
August 31, 2020	4,085	$ 21.85	4,085	8,056
September 30, 2020	—	$ —	—	12,588
October 31, 2020	—	$ —	—	12,588
November 30, 2020	—	$ —	—	12,588
December 31, 2020	—	$ —	—	12,971
Total	7,147	$ 22.29	7,147	57,710

Note (1): The Company limits the number of shares that may be redeemed per calendar month and per calendar year under the program as described above.

Stockholders

As of March 23, 2021, the Company had sold an aggregate of 796,801 shares of its common stock (consisting of 409,966 Class A shares, 211,202 Class T shares, and 175,633 Class I shares) in the Offering held by 188 stockholders of record.

Distribution Reinvestment Plan

We are offering up to $250 million in shares pursuant to our DRP at the then current NAV per share amount. We reserve the right to reallocate the shares we are offering among our classes of common stock and between the Primary Offering and the DRP. We will not pay any selling commissions, dealer manager fees or distribution fees on shares sold pursuant to our DRP. The amount available for distributions on all Class T shares will be reduced by the amount of distribution fees payable with respect to the Class T shares issued in the Primary Offering. All Class T shares will receive the same per share distributions. We may amend or terminate the DRP for any reason at any time upon 30 days' notice to the participants. We may provide notice by including such information (a) in a Current Report on Form 8-K or in our annual or quarterly reports, all publicly filed with the SEC or (b) in a separate mailing to the participants. As of December 31, 2020 and December 31, 2019, distributions reinvested pursuant to the Company's DRP totaled $251,548 and $72,661, respectively.

Unregistered Sales of Equity Securities

During the years ended December 31, 2020, 2019 and 2018, the Company did not complete any sales of unregistered securities.

Use of Proceeds

On May 2, 2018, the Company's Registration Statement on Form S-11 (Form No. 333-221814), was declared effective by the SEC. On June 28, 2018, the Company satisfied the Minimum Offering Requirement as a result of CFI's purchase of $2.0 million in Class I shares at $25.00 per share. As of December 31, 2020, the Company's NAV was $23.09 per Class A share, $23.07 per Class T share and $23.09 per class I share, plus applicable selling commissions and dealer manager fees. Effective February 15, 2021, the new offering price was $24.31 per Class A share, $23.54 per Class T share and $23.09 per Class I share.

For the period from the commencement of the Offering through December 31, 2020, the Company issued 793,653 shares of common stock generating total gross proceeds of $18,915,903 in the Offering.

During this time, the Company also incurred $409,652 in selling commissions net of Sponsor Support, and incurred $192,010 of distribution fees, in connection with the issuance of its registered securities.

The net proceeds received from the Offering, after deducting the total expenses incurred as described above, were $18,314,241.

For the period from the commencement of the Initial Offering through December 31, 2020, the Company used proceeds of $16,705,681 to originate commercial mortgage loans, held for an investment and purchase interests in real estate-related assets.

Item 6. Selected Financial Data.

The following selected consolidated historical financial data of the Company should be read in conjunction with Part II, Item 1A. — "Risk Factors", "Forward Looking Statements", Part II, Item 7. — "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes thereto that appear on pages F-1 to F-28 of this report.

	As of and For the Year Ended	
	December 31, 2020	December 31, 2019
Operating Data:		
Total interest income, net	$ 1,453,236	$ 909,469
Total operating expenses	(260,264)	(212,373)
Net income (loss)	**$ 1,192,972**	**$ 697,096**
Per Share Data:		
Net gain/(loss) per share of common stock	$ 1.88	$ 1.93
Distributions declared per share of common stock	$ 0.004602739	$ 0.004423122
Balance Sheet Data:		
Total assets	$ 31,556,006	$ 26,831,280
Total liabilities	$ 13,039,427	$ 15,404,159
Total equity	$ 18,516,579	$ 11,427,121

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Annual Report on Form 10-K. In addition to historical data, this discussion contains forward-looking statements about the Company's business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. The Company's actual results may differ materially from those in this discussion as a result of various factors, including, but not limited to, those discussed under Part, I. Item 1A— "Risk Factors" in this Annual Report on Form 10-K.

Overview

The Company is a Maryland corporation that has elected and qualified as a REIT commencing with its 2019 tax year. The Company is externally managed by the Advisor, a Delaware limited liability company and wholly-owned subsidiary of the Company's sponsor, CFI. The Company intends to focus on originating mortgage, mezzanine loans and preferred equity secured mainly by commercial real estate located primarily in the U.S., United Kingdom, and other European Countries. The Company may also invest in commercial real estate securities and properties. Commercial real estate investments may include mortgage loans, subordinated mortgage and non-mortgage interests, including preferred equity investments and mezzanine loans, and participations in such instruments. Commercial real estate securities may include CMBS, unsecured debt of publicly traded REITs, debt or equity securities of publicly traded real estate companies and structured notes.

The Company was incorporated in the State of Maryland on January 19, 2016.

The Company's consolidated financial statements include Rodin Income Trust Operating Partnership, L.P. (the "Operating Partnership"), RIT REIT Sub I, Inc. ("RIT REIT Sub I"), and RIT Lending, Inc. ("RIT Lending"). Both RIT REIT Sub I and RIT Lending are indirect wholly owned subsidiaries of the Company. The Company plans to own substantially all of its assets and conduct its operations through the Operating Partnership. The Company is the sole general partner and limited partner of the Operating Partnership and CFI's wholly owned subsidiary, Rodin Income Trust OP Holdings, LLC (the "Special Unit Holder"), is the sole special unit holder of the Operating Partnership.

The Company has registered with the SEC the Offering of up to $1.25 billion in shares of common stock, consisting of up to $1.0 billion in shares in the Company's Primary Offering and up to $250 million in shares pursuant to its DRP.

On January 22, 2016, the Company was capitalized with a $200,001 investment by CFI. The Company's Registration Statement for the Offering was declared effective by the SEC on May 2, 2018. As of June 28, 2018, the Company satisfied the Minimum Offering Requirement as a result of CFI's purchase of $2.0 million in Class I shares at $25.00 per share. As of March 23, 2021, the Company had sold 409,966 Class A shares, 211,202 Class T shares, and 175,633 Class I shares of common stock in the Primary Offering, as well as 8,372 Class A shares, 2,904 Class T shares, and 2,040 Class I shares in the DRP for aggregate net proceeds of $18,387,236. On April 20, 2020, the Company's board of directors authorized the extension of the term of the Offering until May 2, 2021.

The Company determines its NAV as of the end of each quarter. NAV, as defined, is calculated consistent with the procedures set forth in the Company's prospectus and excludes any O&O Costs, with such costs to be reflected in the Company's NAV to the extent the Company reimburses the Advisor for these costs. The board of directors adjusts the offering prices of each class of shares such that the purchase price per share for each class equals the NAV per share as of the most recent valuation date, as determined on a quarterly basis, plus applicable upfront selling commissions and dealer manager fees, less Sponsor Support, up to a total of 4.0% of gross offering proceeds from the sale of Class A shares and Class T shares, and up to a total of 1.5% of gross offering proceeds from the sale of Class I shares, incurred in connection with the Offering. The Company intends to publish any adjustment to the NAV and the corresponding adjustments to the offering prices of its shares ordinarily within 45 days after the end of the applicable fiscal quarter. As of December 31, 2020, the Company's NAV was $23.09 per Class A share, $23.07 per Class T share and $23.09 per Class I share. Accordingly, effective February 15, 2021, the new offering price was $24.31 per Class A share, $23.54 per Class T share and $23.09 per Class I share. For further discussion of the Company's NAV calculation, please see "Net Asset Value".

As of December 31, 2020, the Company had made the following investments (collectively, the "Investments"):

- The Company originated, through RIT Lending, the Delshah Loan to the Mezzanine Borrower, an affiliate of Delshah, for the acquisition of the Portfolio. Subsequent to the initial origination, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to the Delshah Preferred Equity Interest in DS Brooklyn Portfolio Holdings LLC.
- The Company also originated, through RIT Lending, the East 12th Street Loan, to the East 12th Street Mezzanine Borrower, an affiliate of Delshah, for the acquisition of the East 12th Street Property. Approximately $6.83 million of the East 12th Street Loan was funded at closing. As of December 31, 2020, approximately $8.52 million of the East 12th Street Loan has been funded.

The Company has no direct employees and has retained the Advisor to manage its affairs on a day-to-day basis. The Advisor's responsibilities include, but are not be limited to, providing real estate-related services, including services related to originating investments, negotiating financing, and providing property-level asset management services, property management services, leasing and construction oversight services and disposition services, as needed. The Advisor is a wholly owned subsidiary of CFI and therefore, the Advisor and CFI are related parties. The Advisor and its affiliates receive, as applicable, compensation, fees and expense reimbursements for services related to the investment and management of the Company's assets. Such affiliated entities receive fees, expense reimbursements, and distributions (related to ownership of the Company's common stock) as well as other compensation during the offering, acquisition, operational and liquidation stages.

The Company is not aware of any material trends or uncertainties, favorable or unfavorable, other than national economic conditions affecting real estate generally, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from acquiring properties or real estate-related securities, other than those referred to in this Annual Report.

Operating Highlights

2020 Activity

- Repurchased participation interest in the Delshah Loan from CFI in the amount of $7.0 million.
- Collected principal of $1.8 million on the Delshah Loan from Delshah.
- Converted $8.1 million of the Delshah Loan into the Delshah Preferred Equity Interest.
- Issued approximately 308,616 shares of common stock in the Offering for gross proceeds of approximately $7.19 million.

Portfolio Information

Delshah Loan

On September 21, 2018, the Company originated, through RIT Lending, the Delshah Loan to the Mezzanine Borrower, an affiliate of Delshah, for the acquisition of the Portfolio. The acquisition by Delshah of the Portfolio was further financed by a $70 million mortgage loan provided by Signature Bank (the "Delshah Senior Loan"). The fee simple interest in the Portfolio is held by DS Brooklyn Portfolio Owner LLC, a single purpose limited liability company of which the Mezzanine Borrower owns 100% of the membership interests.

In connection with the origination of the Delshah Loan, RIT Lending entered into a participation agreement with CFI. RIT Lending originated the Delshah Mezzanine Loan with (i) cash from the initial public offering equivalent to a 5% participation interest in the amount of $900,000 in the Delshah Mezzanine Loan and (ii) proceeds from the sale to CFI of a 95% participation interest in the amount of $17.1 million in the Delshah Mezzanine Loan. As of December 31, 2020, the Company had repurchased participation interests in the Delshah Mezzanine Loan from CFI in the amount of $4.73 million, increasing the Company's total interest in the Delshah Mezzanine Loan to 31.28%.

At Delshah's request, the Company agreed to the following modification of the Delshah Loan, effective December 31, 2020. On December 31, 2020, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to the Delshah Preferred Equity Interest in DS Brooklyn Portfolio Holdings LLC, the sole owner of the Mezzanine Borrower, on the terms described below, to be held by RIT Lending (in such capacity, the "PE Member"). The other member of DS Brooklyn Portfolio Holdings LLC is DS Property Acquisitions LLC, an affiliate of Delshah (the "Operating Member").

The remaining $8.1 million balance of the Delshah Loan remained outstanding as a mezzanine loan on the same terms as those in effect prior to the conversion. Following the conversion, CFI has 99% interest in the Delshah Loan and the Company has a 1% interest in the Delshah Loan and 100% of the Delshah Preferred Equity Interest.

The following table provides certain information about the Delshah Loan:

Loan Type	Loan Amount	Loan Term	Coupon	Amortization	Loan-to-Value(1)
Mezzanine Loan	$ 8,100,000	10 years	9.10% subject to a potential increase in year six	Interest only	83.14%

Note: (1) Loan-to-Value is calculated as of the date the Delshah Loan was originated.

Delshah Preferred Equity Interest

The $8.1 million Delshah Preferred Equity Interest has the mandatory redemption date of the earlier of September 21, 2028 or the maturity date of either Delshah Senior Loan or Delshah Loan. In addition, the Operating Member may redeem the Delshah Preferred Equity Interest in whole or in part on any business day upon at least 5 business days prior written notice.

The preferred return rate for the Delshah Preferred Equity Interest until September 21, 2023 is 10.00%. At such date, the preferred return rate for the Delshah Preferred Equity Interest will change to the greater of (i) 10.25% or (ii) 740 basis points over the then existing five-year U.S. Treasury Note Yield, such interest rate then in effect for Delshah Preferred Equity Interest is referred to as the Mortgage Loan Interest Rate. However, in the event certain conditions described in the next sentence are not satisfied by September 21, 2023, the interest rate for the Delshah Loan will increase to the greater of (i) 11.25% or (ii) 840 basis points over the Mortgage Loan Interest Rate in effect. The interest rate modification conditions to be satisfied by September 21, 2023 are: (a) a minimum financing yield on the combined Delshah Loan, Delshah Senior Loan and Delshah Preferred Equity Interest amount of 7.0%; (b) a financing service coverage ratio of at least 1.10x, on the combined Delshah Loan, Delshah Senior Loan and Delshah Preferred Equity Interest amount; and (c) the then outstanding balance of the combined Delshah Loan, Delshah Senior Loan and Delshah Preferred Equity Interest is not greater than 75.0% of the value of the Portfolio. The Operating Member has the right to cause any portion of the preferred return in excess of 9.1% to be paid as a payment-in-kind (including as an increase in the capital balance of the Delshah Preferred Equity Interest).

On the 10th day of each month, available cash flow will be distributed as follows: (i) to any reserves required under the operating agreement of DS Brooklyn Portfolio Holdings LLC (the "Operating Agreement") for taxes or insurance premiums, (ii) to the accrued and unpaid return on any special contributions made by the PE Member pursuant to the Operating Agreement, (iii) to repayment of any special contributions made by the PE Member until paid in full, (iv) to the accrued and unpaid return on the Delshah Preferred Equity Interest, (v) provided no trigger event (as defined in the Operating Agreement) is continuing, to the payment of a cumulative return on the capital contribution made by the Operating Member at a rate equal to 15% (the "Operating Member Return"), (vi) to repayment of the capital balance of the Delshah Preferred Equity Interest, (vii) during the continuance of a trigger event, to the payment of the Operating Member Return, and (viii) any remaining amounts to be distributed on a pari passu basis 20% to PE Member and 80% to Operating Member. In addition, any excess proceeds will be used to pay down Delshah Preferred Equity Interest.

The following table provides certain information about the Delshah Preferred Equity Interest:

Portfolio	Original Investment Amount		Preferred Return
Preferred Equity Investment	$	8,100,000	Ranging from 10.00% in 2020 to 10.25% in 2023

533 East 12th Street, New York, NY Mezzanine Loan

On November 1, 2018, the Company, through RIT Lending, originated the East 12th Street Loan to the East 12th Street Mezzanine Borrower, an affiliate of Delshah, for the acquisition of the East 12th Street Property. The fee simple interest in the East 12th Street Property is held by DS 531 E. 12th Owner LLC, a single purpose limited liability company (the "East 12th Street Senior Borrower") of which the East 12th Street Mezzanine Borrower owns 100% of the membership interests.

The following table provides certain information about the East 12th Street Loan:

Loan Type	Loan Amount	Initial Funding	Loan Term	Floating Rate Coupon	Amortization	Loan-to-Value(1)
Mezzanine Loan	$ 8,990,000	$ 6,830,000	3 years with two, 1-year extension options	LIBOR+9.25%	Interest only	84.28%

Note: (1) Loan-to-Value is calculated as of the date the East 12th Street Loan was originated and only includes amounts funded on the date of origination.

The East 12th Street Loan is secured by a pledge of 100% of the equity interests in the East 12th Street Senior Borrower. The East 12th Street Loan may be prepaid in its entirety or in part in connection with sales of condominium units, subject in each case to RIT Lending's receipt of eighteen months of minimum interest. The term of the East 12th Street Loan is three years, with two 1-year options to extend.

$6,830,000 of the East 12th Street Loan was funded at closing, and $1,660,000 of the East 12th Street Loan was withheld and will be advanced to the extent the East 12th Street Property generates insufficient cash flow to fully cover payment of interest on the East 12th Street Loan. The remaining portion of the East 12th Street Loan, $500,000, was also withheld and will be advanced to pay for capital expenditure, broker commissions and tenant improvements associated with the East 12th Street Property as approved by RIT Lending. No interest will accrue on the unfunded amounts.

As of September 30, 2020, the New York State Attorney General has approved the final condominium plan for the East 12th Street Property, and certain previously effective NYC work stoppage rules, originally enacted due to the COVID-19 pandemic, have been lifted. Such actions have resulted in renovations of the East 12th Street Property commencing, and the sale process of the condominium units that comprise the East 12th Street Property being engaged.

The delay in completion of the renovation and the anticipated extended duration of unit sales has resulted in a substantial draw-down by the East 12th Street Senior Borrower of the debt service/carry cost reserve under each of the East 12th Street senior and mezzanine loans. In order to replenish the East 12th Street senior loan interest/carry reserve and ensure sufficient funding to complete the project, Delshah has requested an increase in the size of the East 12th Street senior loan, along with RIT Lending consent for such increase.

On December 11, 2020, RIT Lending executed the consent to the proposed upsizing and modification of the East 12th Street senior loan as well as the modification of the East 12th Street Loan as further described below. The changes to the East 12th Street senior loan include increases to the debt and equity amounts, increases to the required contingency and capital expenditure reserve amounts, as well as modifications to the cash waterfall. The cash waterfall was modified as follows: all net sales proceeds from the sales of condominiums are applied against the outstanding East 12th Street senior loan balance until the senior loan is fully paid off, then the remainder to Delshah. Prior to the modification, the East 12th Street senior loan provided for the following cash waterfall: all net sales proceeds applied against outstanding the senior loan balance until the senior loan is 50% paid off, then split 60/40% between the senior and the East 12th Street Loan until the senior loan is paid off in full, then to the East 12th Street Loan until paid off in full, and then the remainder to Delshah.

As of December 31, 2020, the Company and CFI had advanced $1,459,417 to cover interest shortfalls, reducing the amount withheld to fully cover payment of interest on the East 12th Street Loan to $200,583. As of December 31, 2020, the Company had advanced $235,263 for capital expenditure, reducing the amount withheld for capital expenditure, broker commissions and tenant improvements to $264,737. As of December 31, 2020, the total funded amount for the East 12th Street Loan was $8,524,680.

As of December 31, 2019, the Company and CFI had advanced $913,980 to cover interest shortfalls, reducing the amount withheld to fully cover payment of interest on the East 12th Street Loan to $746,020. At December 31, 2019, the total funded amount for the East 12th Street Loan was $7,743,980, and the portion of the East 12th Street Loan withheld for capital expenditure, broker commissions and tenant improvements was unchanged from the initial balance of $500,000.

Loan Participations Sold

Delshah Loan Participation Agreement

In connection with the origination of the Delshah Loan, RIT Lending entered into the Delshah Loan Participation Agreement with CFI. The Company originated, through RIT Lending, the Delshah Loan with (i) cash from the Offering equivalent to a 5% participation interest in the amount of $900,000 in the Delshah Loan and (ii) proceeds from the sale to CFI of a 95% participation interest in the amount of $17,100,000 in the Delshah Loan. The Company intended, but was not obligated, to purchase the remaining 95% of the participation interest in the Delshah Loan from CFI at a purchase price equivalent to the amount paid for the participation interest by CFI.

As of December 31, 2020, the Company had repurchased participation interests in the Delshah Loan from CFI in the amount of $9,081,000. On December 31, 2020, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to the Delshah Preferred Equity Interest in DS Brooklyn Portfolio Holdings LLC, the sole owner of the Delshah Borrower, on the terms described above, to be held by RIT Lending. As a result, as of December 31, 2020, the Company's total interest was reduced to $81,000, which represents a 1.00% ownership interest in the Delshah Loan.

East 12th Street Loan Participation Agreement

In connection with the origination of the East 12th Street Loan, RIT Lending entered into the East 12th Street Loan Participation Agreement with CFI. The Company originated, through RIT Lending, the East 12th Street Loan with (i) cash from the Offering equivalent to a 20.42% participation interest in the amount of $1,395,000 in the East 12th Street Loan and (ii) proceeds from the sale to CFI of a 79.58% participation interest in the amount of $5,435,000 in the East 12th Street Loan, at closing.

As of July 16, 2019, in accordance with the East 12th Street Loan Participation Agreement, the Company had repurchased participation interests in the East 12th Street Loan from CFI in the amount of $5,609,044, at a purchase price equivalent to the amount paid for the participation interests by CFI, increasing the Company's total interest in the East 12th Street Loan to 100%.

In accordance with ASC 860, the sales of participation interests in the Investments do not qualify as sales under GAAP. As such, the Company presents the gross amount of the Investments as an asset and the loan participations sold as a liability on the consolidated balance sheet. The gross presentation of loan participations sold does not impact stockholders' equity or net income.

Related Party Transactions

The Company has entered into agreements with the Advisor, the Dealer Manager and CFI and its affiliates, whereby the Company pays certain fees and reimbursements to these entities during the various phases of its organization and operation. During the organization and offering stage, these include payments to the Dealer Manager for selling commissions, the dealer manager fee, distribution fees, and payments to the Advisor for reimbursement of organization and offering costs. During the acquisition and operational stages, these include payments for certain services related to the management and performance of the Company's investments and operations provided to the Company by the Advisor and its affiliates pursuant to various agreements the Company has entered into with these entities. In addition, CFI has provided Sponsor Support in connection with the Offering, which is subject to reimbursement under certain circumstances. See Note 7 — Related Party Transactions in the Notes to the consolidated financial statements contained elsewhere in this Annual Report on Form 10-K for additional information concerning the Company's related party transactions and agreements.

Results of Operations

The Company commenced its principal operations upon successfully meeting its Minimum Offering Requirement on June 28, 2018. The Company is dependent upon the proceeds from the Offering in order to conduct its investment activities and intends to make investments with the capital received from the Offering.

Revenues

The Company's revenues consist solely of net interest income earned from the Investments.

For the years ended December 31, 2020 and December 31, 2019, the Company earned net interest income of $1,453,236 and $909,469, respectively.

The increase of $543,767 for the year ended December 31, 2020, as compared to the year ended December 31, 2019, was due to additional repurchases of participation interests in the Investments.

General and Administrative Expenses

The Company's general and administrative expenses consist primarily of operating expense reimbursements to the Advisor, as well as compensation to the Company's independent board of directors relating to pro-rated annual compensation as well as attendance at board of directors' meetings.

For the years ended December 31, 2020 and December 31, 2019, the Company incurred general and administrative expenses of $104,157 and $116,420, respectively.

The decrease of $12,263 for the year ended December 31, 2020, as compared to the year ended December 31, 2019, was due to a decrease in the amount of operating expenses incurred by the Company during such period. As of December 31, 2020, the Advisor has incurred, on behalf of the Company, a total of $4,050,170 in Unreimbursed Operating Expenses, including a total of $1,011,270 for the year ended December 31, 2020, for which the Advisor has not invoiced the Company for reimbursement.

Management Fees

Pursuant to the Advisory Agreement with the Advisor, and based upon the Company's NAV, the Company is required to pay the Advisor a monthly asset management fee, and may pay a monthly property management fee for providing real estate-related services, including services related to originating investments and negotiating financing, as needed.

Asset management fees payable to the Advisor prior to September 2019 consisted of monthly fees equal to one-twelfth of 1.25% of the cost of the Company's investments at the end of each month. Asset management fees payable to the Advisor as of September 2019 consist of monthly fees equal to one twelfth of 1.20% of the Company's most recently disclosed NAV.

For the years ended December 31, 2020 and December 31, 2019, the Company incurred asset management fees of $156,107 and $95,953, respectively.

The increase of $60,154 for the year ended December 31, 2020, as compared to the year ended December 31, 2019, was due to the above mentioned change in the calculation of the asset management fee effective September 2019, basing the calculation on NAV as opposed to the cost of the Company's investments.

Funds from Operations and Modified Funds from Operations

The Company defines modified funds from operations ("MFFO") in accordance with the definition established by the Institute for Portfolio Alternatives, or IPA. The Company's computation of MFFO may not be comparable to other REITs that do not calculate MFFO using the current IPA definition. MFFO is calculated using funds from operations ("FFO"). FFO and MFFO should not be considered as an alternative to net income (determined in accordance with accepted accounting principles in the United States of America ("U.S. GAAP")) as an indication of performance. In addition, FFO and MFFO do not represent cash generated from operating activities determined in accordance with U.S. GAAP and are not a measure of liquidity. FFO and MFFO should be considered in conjunction with reported net income and cash flows from operations computed in accordance with U.S. GAAP, as presented in the financial statements.

The Company computes FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT, as net income or loss (computed in accordance with U.S. GAAP), excluding gains or losses from sales of depreciable properties, the cumulative effect of changes in accounting principles, real estate-related depreciation and amortization, impairment charges on depreciable property owned directly or indirectly and after adjustments for unconsolidated/uncombined partnerships and joint ventures. FFO, as defined by NAREIT, is a computation made by analysts and investors to measure a real estate company's cash flow generated by operations. The Company's computation of FFO may not be comparable to other REITs that do not calculate FFO in accordance with the current NAREIT definition. MFFO excludes from FFO the following items, as applicable:

- acquisition fees and expenses;
- straight-line rent and amortization of above or below intangible lease assets and liabilities;
- amortization of discounts, premiums and fees on debt investments;
- non-recurring impairment of real estate-related investments;
- realized gains (losses) from early extinguishment of debt;
- realized gains (losses) on the extinguishment or sales of hedges, foreign exchange, securities and other derivative holdings except where the trading of such instruments is a fundamental attribute of our business;
- unrealized gains (losses) from fair value adjustments on real estate securities, including CMBS and other securities, interest rate swaps and other derivatives not deemed hedges and foreign exchange holdings;
- unrealized gains (losses) from the consolidation from, or deconsolidation to, equity accounting;
- adjustments related to contingent purchase price obligations; and
- adjustments for consolidated and unconsolidated partnerships and joint ventures calculated to reflect MFFO on the same basis as above.

The following table presents a reconciliation of FFO to net income:

	Year Ended December 31, 2020
Net Income	$ 1,192,972
Adjustments:	
None	—
Funds from Operations	$ 1,192,972

The following table presents a reconciliation of FFO to MFFO:

	Year Ended December 31, 2020
Funds from Operations	$ 1,192,972
Adjustments:	
None	—
Modified Funds from Operations	$ 1,192,972

Net Asset Value

On February 12, 2021, the Company's board of directors approved an estimated NAV as of December 31, 2020 of $23.09 per share for Class A and I, and $23.07 for Class T shares of common stock. The calculation of the Company's estimated NAV was performed by Robert A. Stanger & Co., Inc. ("Stanger"), its independent valuation firm, in accordance with the procedures described in the "Net Asset Value Calculation and Valuation Procedures" section of the Company's prospectus. Although the Stanger performs the calculation of the Company's estimated NAV, the Company's board of directors is solely responsible for the determination of the Company's estimated NAV.

In performing the calculation of the Company's estimated NAV per share, Stanger observed that the Company had originated and held two loans and a preferred equity interest as of December 31, 2020, and that the Company's NAV was comprised of cash and equivalents plus its interests in the Delshah Loan, the East 12th Street Loan and the Delshah Preferred Equity Interest, amounts due from related party, less accrued expenses, distributions payable, the liquidation value of the Company's preferred stock and due to related party (excluding amounts owed to the Advisor for reimbursement of O&O Costs) less the current accrued O&O Costs liability due, as identified on the Company's balance sheet. Stanger also considered any other amounts due to the Advisor or affiliates for repayment of Sponsor Support or amounts due to the Special Unit Holder in certain circumstances, including liquidation of the Company, for which no amounts were due as of December 31, 2020. There can be no assurance that a stockholder would realize $23.09 per share of Class A and I common stock or $23.07 per share of Class T common stock if the Company were to liquidate or engage in another type of liquidity event today. In particular, the Company's December 31, 2020 NAV does not consider fees or expenses that may be incurred in connection with a liquidity event, including reimbursement of amounts to the Advisor for O&O Costs, and any operating expenses that have not been invoiced by the Advisor in accordance with the terms of the Advisory Agreement and, as discussed in "Note 9 – Commitments and Contingencies" above, the full extent of the impact and effects of COVID-19 on the future financial performance of the Company, as a whole, and, specifically, on its investments and underlying borrowers and their real estate property holdings are uncertain at this time. Due to COVID-19, as of December 31, 2020, there was a limited market, relative to pre-COVID-19 levels, for loan investments like those held by the Company. Therefore, there can be no assurance that the estimated market value of the investments included in the NAV would materially equal the gross amount realized if such loan or preferred equity investments were sold by the Company on December 31, 2020. The Company believes that the methodology of determining the Company's NAV conforms to the Institute for Portfolio Alternatives Practice Guideline for Valuations of Publicly Registered Non-Listed REITs (April 2013) and is prepared in accordance with the procedure described in the "Net Asset Value Calculation and Valuation Procedures" section of the Company's prospectus. In addition, the Company's board of directors periodically reviews the Company's NAV policies and procedures.

The purchase price per share for each class of the Company's common stock will generally equal the prior quarter's NAV per share, as determined quarterly, plus applicable selling commissions and dealer manager fees. The NAV for each class of shares is based on the value of the Company's assets and the deduction of any liabilities, and any distribution fees applicable to such class of shares.

Delshah Investments

As previously disclosed in the Company's Prospectus Supplement No. 5 dated January 11, 2021, an affiliate of Delshah paid down the original principal balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the remaining Delshah Loan) converted from a mezzanine loan to the Delshah Preferred Equity Interest. The Delshah Preferred Equity Interest is junior to both the senior loan on the underlying collateral and the Delshah Loan. The preferred return is 10.0% until September 21, 2023 and is redeemable at any time with no penalty. The Company has also received a promoted interest equal to 20% of the proceeds, on a pari passu basis, after the Company receives a 10% preferred return and the DS Property Acquisitions LLC, an affiliate of Delshah receives a 15% return on their capital basis. No value was attributable to this promoted interest in the Company's current NAV.

The remaining $8.1 million principal balance of the Delshah Loan remained outstanding as a mezzanine loan with the same terms as those in effect prior to the conversion. As of December 31, 2020, CFI held a 99% interest in the Delshah Loan through a participation agreement between the Company and CFI, and the Company retained a 1% interest in the Delshah Loan. As of December 31, 2020, the Company held 100% of the Delshah Preferred Equity Interest.

In accordance with the Company's valuation procedures, the Delshah Loan, the East 12th Street Loan and the Delshah Preferred Equity Interest, (each individually an "Investment" and collectively the "Delshah Investments") were included in the determination of NAV at their estimated fair market value as of December 31, 2020, as determined by Stanger, as adjusted to reflect the Company's retained interests in each of the Delshah Investments, respectively. The estimated fair market value of the each of the Delshah Investments was based upon taking, for each the anticipated payments over the remaining loan and investment term and discounting such payments to a present value at a discount rate range equal to the current estimated market interest rate or yield on similar investments. To provide their opinion of value of the Delshah Investments, Stanger first reviewed the terms of each of the Delshah Investments as contained in the loan and investment agreements. Stanger then reviewed mezzanine loan and preferred equity market terms at or around December 31, 2020 to ascertain current market interest rates for investments similar to the Delshah Investments. This review was conducted by (i) interviews of participants in the mezzanine / preferred equity market, (ii) reviewing recent mezzanine loan and preferred equity transactions, as available, and (iii) reviewing published surveys available at or around December 31, 2020. Based on Stanger's reviews above and taking into consideration each of the Delshah Investments' unique factors, including, but not limited to, loan-to-value (based primarily on the most-recent appraised value of the underlying real estate collateral properties, subsequent capital investment into the real estate collateral properties and current asking and contract prices for the for sale condominium units for the East 12th Street Loan collateral property), debt service and preferred equity yield coverage and reserve levels and funding requirements of the underlying collateral properties, as well as property specific attributes such as property type and location, financial information pertaining to the borrower and/or guarantor, prepayment terms, and investment and loan origination dates, maturity dates and extension terms, a market interest rates was determined for each Delshah Investment to utilize in the determination of the fair market value of the Delshah Investments.

The following table provides a breakdown of the major components of the Company's NAV:

Components of NAV	December 31, 2020
Cash and cash equivalents	$ 4,804,926
Commercial mortgage loans, held for investment(1)	8,451,218
Investment in real estate-related assets	8,100,000
Principal collections of commercial mortgage loans, held for investment receivable	1,800,000
Due from related party	41,463
Accrued interest receivable	184,937
Accounts payable and accrued expenses	(80,546)
Distributions payable	(110,004)
Due to related party(2)	(4,481,100)
Distribution fee payable the following month(3)	(4,014)
Accrued interest payable	(68,788)
Non-controlling interests in subsidiaries	(125,000)
Net Asset Value	$ 18,513,092
Number of outstanding shares	801,833

Note: (1) Reflects the Company's interest in the Delshah Loan and the East 12th Street Loan.

(2) Reflects the Company's interest in the Delshah Preferred Equity Interest.

(3) Excluding $108,496 due to the Advisor for reimbursement of O&O Costs ($115,277 less the current liability due of $6,781) pursuant to the procedures described in the "Net Asset Value Calculations and Valuation Procedures" section of the Company's prospectus. Includes a $4.351 million payment due to CFI for the repurchase of participating interests previously held by CFI.

(4) Distribution fee only relates to Class T Shares

NAV Per Share	Class A Shares	Class T Shares	Class I Shares	Total
Total Gross Assets at Fair Value	$12,147,428	$ 6,124,849	$ 5,110,267	$23,382,544
Due to related party	(2,327,969)	(1,173,784)	(979,347)	(4,481,100)
Other liabilities	(134,728)	(71,945)	(56,679)	(263,352)
Non-controlling interests in subsidiaries	(64,939)	(32,743)	(27,318)	(125,000)
Quarterly NAV	$ 9,619,792	$ 4,846,377	$ 4,046,923	$18,513,092
Number of outstanding shares	416,559	210,033	175,241	801,833
NAV per share	$ 23.09	$ 23.07	$ 23.09	

The following table reconciles stockholders' equity per the Company's consolidated balance sheet to the Company's NAV:

Reconciliation of Stockholders' Equity to NAV	December 31, 2020
Stockholders' equity under U.S. GAAP	$ 18,516,579
Adjustments:	
Fair value adjustment of commercial mortgage loans, held for investment	(154,462)
Organization and offering costs	108,496
Accrued distribution fee	167,479
Non-controlling interests in subsidiaries	(125,000)
NAV	$ 18,513,092

The following details the adjustments to reconcile U.S. GAAP stockholder's equity to the Company's NAV:

Fair value adjustment of commercial mortgage loans, held for investment and investment in real estate-related assets

The Company's Investments are held for investment are presented at historical cost in our U.S. GAAP consolidated financial statements. As such, any changes in the fair market value of our Investments, held for investment are not included in our U.S. GAAP results. For purposes of determining our NAV, our Investments are presented at fair value.

Organization and offering costs

The Advisor has agreed to pay, on behalf of the Company, all O&O Costs through the first anniversary of the date on which the Company satisfied the Minimum Offering Requirement, which was June 28, 2019 (the "Escrow Break Anniversary"). Such costs are being reimbursed to the Advisor, ratably, by the Company, over 36 months beginning on June 29, 2019, subject to the 1% Cap. After the Escrow Break Anniversary, the Advisor, in its sole discretion, may pay some or all of the additional O&O Costs incurred, but it is not required to do so. Following the Escrow Break Anniversary, the Company began reimbursing the Advisor for payment of the O&O Costs ratably over a 36-month period; provided, however, that the Company will not be obligated to pay any amounts that as a result of such payment would cause the aggregate payments for O&O Costs (less selling commissions, dealer manager fees and distribution fees) paid to the Advisor to exceed the 1% Cap, as of such payment date. To the extent the Advisor pays such additional O&O Costs, the Company will be obligated to reimburse the Advisor subject to the 1% Cap. Any amounts not reimbursed in any period shall be included in determining any reimbursement liability for a subsequent period. As of December 31, 2020, the Advisor has continued to pay all O&O Costs on behalf of the Company. Under U.S. GAAP, the Company's reimbursement liability pertaining to the O&O costs is included with due to related party in the Company's consolidated balance sheet. For NAV, such costs will be recognized as a reduction in NAV as they are reimbursed.

Accrued distribution fee

Accrued distribution fee represents the accrual for the full cost of the distribution fee for Class T shares. Under U.S. GAAP the Company accrued the full cost of the distribution fee as an offering cost at the time it sells the Class T shares. For purposes of NAV the Company recognizes the distribution fee as a reduction of NAV on a quarterly basis as such fee is due.

Non-controlling interests in subsidiaries

Non-controlling interests in subsidiaries represents the equity ownership in a consolidated subsidiary which is not attributable to the Company. The interests are presented at fair value for purposes of determining our NAV.

Sensitivity Analysis

Assuming all other factors remain unchanged, the table below presents the estimated increase or decrease to the Company's December 31, 2020 NAV for the changes in the effective contractual interest rates or preferred return rates for the Investments, respectively:

Sensitivity Analysis	Range of NAV (Class A & I)			Range of NAV (Class T)		
	Low	Concluded	High	Low	Concluded	High
Estimated Per Share NAV	$ 22.91	$ 23.09	$ 23.27	$ 22.89	$ 23.07	$ 23.25
Estimated Market Interest Rate – Delshah Loan	8.66%	8.25%	7.84%	8.66%	8.25%	7.84%
Estimated Market Interest Rate – Delshah Preferred Equity Interest	10.66%	10.15%	9.64%	10.66%	10.15%	9.64%
Estimated Market Interest Rate – East 12th Street Loan	14.75%	14.05%	13.35%	14.75%	14.05%	13.35%

Liquidity and Capital Resources

The Company is dependent upon the net proceeds from the Offering to conduct its principal operations. The Company will obtain the capital required to originate mortgage loans and conduct its operations from the proceeds of the Offering, any future offerings, from secured or unsecured financings from banks and other lenders and from any undistributed funds from its operations.

If the Company is unable to raise substantial funds in the Offering, it will make fewer investments resulting in less diversification in terms of the type, number and size of investments it makes and the value of an investment in the Company will fluctuate with the performance of the limited assets it acquires. Further, the Company will have certain fixed operating expenses, including certain expenses as a REIT and as a public company, regardless of whether it is able to raise substantial funds in the Offering. The Company's inability to raise substantial funds would increase its fixed operating expenses as a percentage of gross income, reducing its net income and limiting its ability to make distributions. As of December 31, 2020, the Company has raised net proceeds of $18,314,241 in the Offering.

The Company expects to use debt financing as a source of capital. The Company's charter limits the Company from incurring debt if the Company's borrowings exceed 300% of the cost of the Company's net assets, which is estimated to approximate 75% of the cost of its tangible assets (before deducting depreciation or other non-cash reserves), though the Company may exceed this limit under certain circumstances. Once the Company has fully deployed the proceeds of the Offering, the Company expects its debt financing and other liabilities may likely be approximately 50% of the cost of its tangible assets (before adjusting for depreciation or other non-cash reserves), although it may exceed this level during the offering stage. As of December 31, 2020, the Company had no borrowings.

In addition to making investments in accordance with its investment objectives, the Company expects to use its capital resources to make certain payments to the Advisor and the Dealer Manager. During the organization and offering stage, the payments will include payments to the Dealer Manager for selling commissions, dealer manager fees, and distribution fee payments and to the Advisor for reimbursement of certain O&O Costs. With regards to the total O&O Costs, including selling commissions, dealer manager fees, distribution fees and reimbursement of other O&O Costs, will not exceed 15% of the gross proceeds of the Offering, including proceeds from sales of shares under the Company's DRP. Additionally, the Company expects to make payments to the Advisor in connection with the selection and origination or purchase of investments, the management of its assets and costs incurred by the Advisor in providing services to the Company.

The Company anticipates that over time adequate cash will be generated from operations to fund its operating and administrative expenses, continuing debt service obligations and the payment of distributions. However, the Company's ability to finance its operations is subject to some uncertainties.

Cash Flows

The following table provides a breakdown of the net change in the Company's cash and cash equivalents:

	Year Ended December 31, 2020
Cash flows from operating activities	$ 1,202,529
Cash flows from investing activities	(3,380,700)
Cash flows from financing activities	6,077,739
Increase in cash and cash equivalents	$ 3,899,568

Operating Activities

During the year ended December 31, 2020, net cash provided by operating activities was $1,202,529, compared to $633,609 during the year ended December 31, 2019. The change was primarily due to an increase in net income of $495,876 as well as an increase in working capital accounts of $73,044.

Investing Activities

During the year ended December 31, 2020, cash used in investing activities was $3,380,700, compared to $6,910,471 during the year ended December 31, 2019. The change was mainly due to a decrease in repurchases of loan participation interest.

Financing Activities

During the year ended December 31, 2020, net cash provided by financing activities was $6,077,739, compared to $7,002,969 during the year ended December 31, 2019. The change was primarily due to a decrease in proceeds received from the Offering, an increase in distributions made, an increase in payments from redemptions of common stock, and an increase in preferred stock dividends for the stockholders of RIT REIT Sub I, offset by acquired non-controlling interests.

Distributions

The Company's board of directors authorized, and the Company declared, distributions through August 14, 2019 in an amount equal to $0.004357260, for the period August 15, 2019 through November 14, 2019 in an amount equal to $0.004493151, and for the period November 15, 2019 through May 14, 2021 in an amount equal to $0.004602739, per day (or approximately $1.68 on an annual basis) per share of Class A common stock, Class I common stock and Class T common stock, less, for holders of the shares of Class T common stock, the distribution fees that are payable with respect to shares of Class T common stock. The distributions are payable by the 5th business day following each month end to stockholders of record at the close of business each day during the prior month.

The amount of distributions payable to the Company's stockholders will be determined by the board of directors and is dependent on a number of factors, including funds available for distribution, the Company's financial condition, capital expenditure requirements, requirements of Maryland law and annual distribution requirements needed to qualify and maintain its status as a REIT. The Company's board of directors may reduce the amount of distributions paid or suspend distribution payments at any time, and therefore distribution payments are not assured.

The Company's ability to generate working capital is dependent on its ability to make investments that generate cash flow. In general, the Company policy is to pay distributions from cash flow from operations, but should operations not be sufficient to fund cash distributions, the Company has entered into a distribution support agreement with CFI to purchase up to $5 million in Class I shares from the Company (less the $2.0 million of shares purchased by CFI in order to satisfy the Minimum Offering Requirement), to provide additional cash support for distributions (the "Distribution Support Agreement"). However, if the Company has not generated sufficient cash flow from its operations and other sources, such as from the Distribution Support Agreement, or the Advisor's deferral, suspension and/or waiver of its fees and expense reimbursements, to fund distributions, the Company may use the proceeds from the Offering for such purposes.

Under the terms of the Distribution Support Agreement, if the cash distributions the Company pays for any calendar quarter exceed the Company's MFFO for such quarter, CFI will purchase Class I shares following the end of such calendar quarter for a purchase price equal to the amount by which the distributions paid on such shares exceed the MFFO for such quarter up to $5 million (including the $2.0 million of shares purchased by CFI in order to satisfy the Minimum Offering Requirement). In such instance, the Company may be paying distributions from proceeds of the shares purchased by CFI or its affiliates, not from cash flow from operations. Class I shares purchased by CFI pursuant to the Distribution Support Agreement will be eligible to receive all distributions payable by the Company with respect to Class I shares. Other than the shares purchased to satisfy the Minimum Offering Requirement, as of December 31, 2020, CFI has not purchased any Class I shares pursuant to the Distribution Support Agreement.

The following table summarizes our distributions declared during the years ended December 31, 2020 and December 31, 2019.

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Amount	**Percent**	**Amount**	**Percent**
Distributions				
Paid in cash	$ 769,009	73%	$ 447,611	77%
Payable	110,004	11%	67,730	12%
Reinvested in shares	166,462	16%	66,341	11%
Total distributions	**$ 1,045,475**	**100%**	**$ 581,682**	**100%**
Sources of Distributions:				
Operating cash flows	$ 1,045,475	100%	$ 581,682	100%
Offering proceeds pursuant to Distribution Support Agreement	—	0%	—	0%
Offering proceeds	—	0%	—	0%
Total sources of distributions	**$ 1,045,475**	**100%**	**$ 581,682**	**100%**

During the year ended December 31, 2020, the Company declared $1,045,475 of distributions to its shareholders, $110,004 of which was unpaid at December 31, 2020, compared to the Company's total aggregate MFFO of $1,192,972 and the Company's total aggregate net income of $1,192,972 for that period.

During the year ended December 31, 2019, the Company declared $581,682 of distributions to its shareholders, $67,730 of which was unpaid at December 31, 2019, compared to the Company's total aggregate MFFO of $697,095 and the Company's total aggregate net income of $697,095 for that period.

Election as a REIT

The Company has elected and qualified to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, commencing with its 2019 tax year. The Company intends to operate in such a manner as to qualify for taxation as a REIT under the Code, but no assurance can be given that the Company will operate in a manner so as to qualify or remain qualified for taxation as a REIT. In order to qualify and continue to qualify for taxation as a REIT, the Company must distribute annually at least 90% of the Company's REIT taxable income. REITs are subject to a number of other organizational and operational requirements. Even if the Company qualifies for taxation as a REIT, it may be subject to certain state and local taxes on its income and property, as well as federal income and excise taxes on its undistributed income.

Critical Accounting Policies

The preparation of the financial statements in accordance with GAAP involves significant judgments and assumptions and requires estimates about matters that are inherently uncertain. These judgments will affect the Company's reported amounts of assets and liabilities and the Company's disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. With different estimates or assumptions, materially different amounts could be reported in the Company's consolidated financial statements. The Company considers its accounting policies over accounting for investments, revenue recognition, credit losses and impairment on investments, and income taxes to be critical accounting policies. See Note 2 – Summary of Significant Accounting Policies to the Company's consolidated financial statements in Part IV, Item 16 of this Annual Report on Form 10-K for further descriptions of such accounting policies.

Recent Accounting Pronouncements

See Note 2 – Summary of Significant Accounting Policies to the Company's consolidated financial statements in Part IV, Item 16 of this Annual Report on Form 10-K for information regarding recent accounting pronouncements.

Emerging Growth Company

The Company is and will remain an "Emerging Growth Company," as defined in the JOBS Act, until the earliest to occur of (i) the last day of the fiscal year during which the Company's total annual gross revenues equal or exceed $1 billion (subject to adjustment for inflation); (ii) the last day of the fiscal year following the fifth anniversary of the Primary Offering; (iii) the date on which the Company has, during the previous three-year period, issued more than $1 billion in non-convertible debt; or (iv) the date on which the Company is deemed a large accelerated filer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Additionally, the Company is eligible to take advantage of certain other exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in the Company's periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. The Company has chosen to "opt out" of that extended transition period and as a result the Company will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that the Company's decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable. Otherwise, the Company has not yet made a decision whether to take advantage of any or all of the exemptions available to it under the JOBS Act.

Off-Balance Sheet Arrangements

As of December 31, 2020, the Company had no off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on the Company's financial condition, revenue and expenses, results of operations, liquidity, capital expenditure, or capital resources.

Contractual Obligations

As of December 31, 2020, the Company does not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities.

Subsequent Events

Status of the Offering

As of March 23, 2021, the Company had sold an aggregate of 796,801 shares of its common stock (consisting of 409,966 Class A shares, 211,202 Class T shares, and 175,633 Class I shares) in the Offering resulting in net proceeds of $18,387,236 to the Company as payment for such shares.

Distributions

On February 12, 2021, the board of directors authorized, and the Company declared, distributions for the period from February 15, 2021 to May 14, 2021, in an amount equal to $0.004602739 per day per share (or approximately $1.68 on an annual basis). Distributions will be payable by the 5th business day following each month end to stockholders of record at the close of business each day during the prior month.

Capital Expenditure Advance

On March 10, 2021, the Company advanced an additional $122,873 for capital expenditures on the East 12th Street Loan, reducing the amount withheld for capital expenditure, broker commissions and tenant improvements to $141,864. As of March 10, 2021, the total funded amount for the East 12th Street Loan was $8,647,553.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company's primary market risk exposure will be interest rate risk with respect to its indebtedness, credit risk and market risk with respect to use of derivative financial instruments for hedging purposes and foreign currency risk relating to investments made outside of the United States. As of December 31, 2020, the Company had no borrowings and has not used any derivative financial instruments.

Interest Rate Risk

As of December 31, 2020, the Company had originated a floating rate commercial mortgage loan, held for investment in the amount of $8,990,000, the East 12th Street Loan, which is exposed to interest rate changes in LIBOR. The loan is subject to an interest rate floor to mitigate some of the negative impact interest rates would have on the Company's consolidated financial statements. As LIBOR is currently below the interest rate floor associated with the Company's loan, the changes in LIBOR during the year ended December 31, 2020 have not exposed the Company to any interest rate risk.

Item 8. Financial Statements and Supplementary Data.

The financial statements required by this item and the reports of the independent accountants thereon appear on pages F-2 to F-28. See accompanying Index to the Consolidated Financial Statements on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K was made under the supervision and with the participation of the Company's management, including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Based upon this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by SEC rules and forms and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officer and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Under the supervision and with the participation of management, including the CEO and CFO, the Company carried out an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2020 based on the "Internal Control-Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2020.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the period covered by this annual report on Form 10-K that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Our directors and executive officers are set forth below.

	Age	Positions
Howard W. Lutnick	59	Chairman of the Board of Directors, Chief Executive Officer and President
John C. Griffin	63	Director, Chief Financial Officer and Treasurer
Arthur F. Backal	59	Independent Director
Christopher P. Yoshida	43	Independent Director
Emanuel Stern	58	Independent Director

Howard W. Lutnick. Mr. Lutnick has served as our Chairman and Chief Executive Officer since February 2017 and as our President since January 2018. Mr. Lutnick also has served as our Chief Executive Officer and the Chief Executive Officer of the Advisor since May 2017. Since February 2017, Mr. Lutnick has served as the Chairman and Chief Executive Officer of Cantor Fitzgerald Income Trust, Inc. and as the Chief Executive Officer of Cantor Fitzgerald Income Advisors, LLC. Mr. Lutnick is also the Chairman of Newmark Group, Inc. (which operates as Newmark Knight Frank), one of the world's leading real estate advisory firms. He joined Cantor in 1983 and was named President and Chief Executive Officer in 1991 and Chairman in 1996. Mr. Lutnick is also the Chairman and Chief Executive Officer of BGC Partners, Inc., a leading global brokerage company servicing the financial and real estate markets. Mr. Lutnick holds a degree in economics from Haverford College. He is a member of the boards of the Zachary and Elizabeth M. Fisher Center for Alzheimer's Disease Research at Rockefeller University, National September 11 Memorial & Museum, and The Partnership for New York City. Mr. Lutnick received the Department of the Navy's Distinguished Public Service Award, the highest honor granted by the Navy to non-military personnel. We believe that Mr. Lutnick's extensive experience supports his appointment to our board of directors.

John C. Griffin. Mr. Griffin has served as our director, Chief Financial Officer and Treasurer since January 2021. Mr. Griffin has also served as the Advisor's Chief Financial Officer and Treasurer since January 2021. He has also served as Chief Financial Officer, Treasurer and director of Cantor Fitzgerald Income Trust, Inc, as Chief Financial Officer and Treasurer of Cantor Fitzgerald Income Advisors, LLC and as co-Chief Financial Officer of Cantor Silverstein Opportunity Zone Trust, Inc., a private fund that is co-sponsored by CFI, since January 2021. Mr. Griffin has served as Managing Director of the Dealer Manager and finance head of Cantor's Commercial Real Estate Investment Management division since April 2017 and as Chief Financial Officer and Investment Committee member of Resolution Recovery Partners LP, an institutional fund managed by an affiliate of the Company's sponsor, CFI, since August 2014. At Cantor, Mr. Griffin oversees a range of functions, most notably, comprehensive accounting and operational control for Cantor sponsored real estate funds. Mr. Griffin has more than 40 years of professional experience in the commercial real estate sector and financial services industry. Prior to joining Cantor, Mr. Griffin served as Chief Financial Officer and Chief Administrative Officer of Ranieri Real Estate Partners LP from 2012 to 2014 and at various positions within Deutsche Bank for approximately 14 years, including most recently as Chief Administrative Officer of the Global Commercial Real Estate business. Mr. Griffin holds a FINRA FINOP 28 License. He received his B.S. in Economics and Finance from Cornell University. We believe that Mr. Griffin's extensive experience supports his appointment to our board of directors.

Independent Directors

Arthur F. Backal. Mr. Backal has served as our director since March 2021. Mr. Backal founded and has served as the President and Chief Executive Officer of Backal Hospitality Group, LLC, a premier New York-based hospitality and event services company, since December 2007. Mr. Backal also founded and has served as the President of State of the Art Enterprises, Inc., a premier New York-based full-service event planning company, since November 2002. Prior to founding Backal Hospitality Group and State of the Art Enterprises, Mr. Backal focused on the New York hospitality industry, holding various positions with a number of hotels in New York City, including the Plaza, the Pierre, the Helmsley Palace and the St. Regis. Mr. Backal has also served as a director of Cantor Fitzgerald Income Trust, Inc., a public non-traded REIT sponsored by the Company's sponsor, since February 2017. Mr. Backal holds a Bachelor of Arts in Hospitality Business from Michigan State University. We believe that Mr. Backal's extensive business management experience supports his appointment to the Company's board of directors.

Christopher P. Yoshida. Mr. Yoshida has served as our director since March 2018. Mr. Yoshida is currently a senior advisor at the Carlyle Group. Prior to this, he was the Chief Strategy, Sales & Marketing Officer at trueEX LLC, a leading interest rate trading platform with offices in New York, London and Singapore. Prior to joining trueEX in April 2017, Mr. Yoshida was a managing director at Deutsche Bank from September 2014 to March 2016. At Deutsche Bank, Mr. Yoshida was Global Head of Interest Rate Distribution, Listed Derivatives and Markets Clearing, Head of Securitized Product Sales – Americas and a member of the Global ICG Executive Committee. Prior to Deutsche Bank, Mr. Yoshida was a managing director at Morgan Stanley International from May 2012 to August 2014, where he was EMEA Head of Rates Distribution and a member of the EMEA FICC Operating Committee. Mr. Yoshida has served as a senior advisor to the Kairos Society since March 2016 and served as a member of the board of directors of the Cryex Group from March 2016 to October 2016. During his career, Mr. Yoshida has acquired extensive experience in real estate-related indebtedness, including mortgage lending and securitizations. Mr. Yoshida is a graduate of St. Lawrence University where he received a Bachelor of Arts in Economics. We believe that Mr. Yoshida's extensive experience with real estate-related indebtedness supports his appointment to our board of directors.

Emanuel Stern. Mr. Stern has served as our director since March 2018. Mr. Stern is currently Managing Principal of Tall Pines Capital, LLC, a privately held real estate investment and development company that invests in both debt and equity positions with respect to New York real estate. Prior to founding Tall Pines Capital in December 2014, Mr. Stern was President and Chief Operating Officer of Hartz Mountain Industries, Inc., one of the largest private owners of commercial real estate in the United States, from January 1997 to December 2014. Mr. Stern also served as the Vice Chairman of the Hartz Group from January 2015 until December 2016. Mr. Stern holds a Bachelor of Arts in Political Science and History from Tufts University and a Masters of Public Affairs from Columbia University. We believe that Mr. Stern's extensive experience with commercial real estate and real estate-related indebtedness supports his appointment to our board of directors.

Code of Ethics

We have adopted a Code of Ethics that applies to all of our executive officers and directors, including but not limited to, our principal executive officer and principal financial officer. A copy of our code of ethics may be obtained, free of charge, by sending a written request to 110 East 59th Street, New York, NY 10022, Attention: Chief Financial Officer.

Audit Committee

Our board of directors has established an audit committee that consists solely of independent directors. Our audit committee is comprised of Arthur Backal, Christopher Yoshida and Emanuel Stern with Arthur Backal serving as the Chairman of our audit committee and our audit committee financial expert.

Compensation Committee Interlocks and Insider Participation

We currently do not have a compensation committee of our board of directors because we do not plan to pay any compensation to our officers. There are no interlocks or insider participation as to compensation decisions required to be discussed pursuant to SEC regulations.

Item 11. Executive Compensation.

Executive Officer Compensation

Although we have executive officers who manage our operations, we have no paid employees. Our Advisor, Rodin Income Advisors, LLC, and the real estate professionals at our Advisor, will manage our day-to-day affairs and our portfolio of real estate related loans.

Non-Employee Director Compensation

We compensate each of our independent directors with an annual retainer of $20,000, with the chairman of the audit committee receiving an additional annual retainer of $5,000. In addition, we pay independent directors for attending board and committee meetings $1,000 in cash for each board and committee meeting attended. All directors receive reimbursement of reasonable out-of-pocket expenses incurred in connection with attendance at meetings of the board of directors. If a director is also one of our officers, we do not pay any compensation for services rendered as a director.

Notwithstanding the foregoing arrangement, each of our independent directors receives a minimum of $25,000 annually for service on our board of directors.

The following table sets forth the compensation earned by our directors for the fiscal year ended December 31, 2020:

Name	Fees Earned or Paid in Cash	Total
Robert J. Hochberg*	$ 31,000	$ 31,000
Christopher P. Yoshida	26,000	26,000
Emanuel Stern	26,000	26,000

* Mr. Hochberg has resigned from his position of director of the Company effective March 2021.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Stock Ownership

The following table shows, as of March 23, 2021, the amount of our common stock beneficially owned (unless otherwise indicated) by (1) any person who is known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock, (2) our directors, (3) our executive officers, and (4) all of our directors and executive officers as a group.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage
Cantor Fitzgerald Investors, LLC[(1) (2)]	$ 2,200,001	11.00%
Howard W. Lutnick	2,200,001	11.00%
John Griffin	—	—
Paul Pion*	—	—
Robert J. Hochberg**	—	—
Arthur F. Backal	—	—
Christopher P. Yoshida	—	—
Emanuel Stern	—	—
All directors and executive officers as a group	$ 2,200,001	11.00%

Note: *Mr. Pion has resigned from his position of director and chief financial officer of the Company effective as of January 2021.
**Mr. Hochberg has resigned from his position of director of the Company effective March 2021

(1) The address of this beneficial owner is c/o Rodin Income Trust, Inc. 110 E. 59th Street, New York, NY 10022.

(2) Cantor Fitzgerald Investors, LLC is indirectly owned by Cantor Fitzgerald, L.P. CF Group Management, Inc. is the managing general partner of Cantor Fitzgerald, L.P. Mr. Lutnick controls Cantor Fitzgerald, L.P. through his ownership of CF Group Management, Inc.

The Company and its employees, including our executive officers, have invested $2,200,001 in the Offering as of March 23, 2021.

Long-Term Incentive Plan Information

The following table summarizes information, as of December 31, 2020, relating to our long-term incentive plan pursuant to which grants of securities may be made from time-to-time.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
Long-Term Incentive Plans Approved by Stockholders	—	—	2,000,000
Long-Term Incentive Plans Not Approved by Stockholders	N/A	N/A	N/A
Total	—	—	2,000,000

Securities Authorized for Issuance Under Long-Term Incentive Plan

Our long-term incentive plan authorizes the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, performance awards, dividend equivalents, limited partnership interests in the Operating Partnership, or any other right relating to our common stock or cash; provided that our long-term incentive plan prohibits the issuance of stock appreciation rights and dividend equivalent rights unless and until our shares of common stock are listed on a national securities exchange. As required by the NASAA REIT guidelines, the maximum number of shares of our common stock that may be issued upon the exercise or grant of an award under our long-term incentive plan will not exceed in the aggregate, an amount equal to 5% of the outstanding shares of our common stock on the date of grant of any such awards. Any stock options or stock appreciation rights granted under our long-term incentive plan will have an exercise price or base price that is not less than the fair market value of our common stock on the date of grant. The exercise price or base price may not be reduced, directly or indirectly, or indirectly by cancellation and regrant, without the prior approval of our stockholders. As of December 31, 2020, we have not granted any securities under our long-term incentive plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Director Independence

We operate under the direction of our board of directors, the members of which are accountable to us and our stockholders as fiduciaries. The board is responsible for the management and control of our affairs. The board has retained our Advisor to manage our day-to-day operations and our portfolio of preferred equity interest, mezzanine and mortgage loans secured by commercial property and other real estate-related assets, subject to the board's supervision. Our directors have a fiduciary duty to supervise our relationship with the Advisor.

Our charter and bylaws provide that the number of our directors may be established by a majority of our board of directors but may not be fewer than three. Our charter also provides that a majority of our directors must be independent of us, our Advisor and our respective affiliates except for a period of 60 days after the death, resignation or removal of an independent director pending the election of his or her successor. We currently have three independent directors on our board of directors. An "independent director" is a person who is not one of our officers or employees or an officer or employee of our Advisor or its affiliates, has not been so for the previous two years and meets the other requirements set forth in our charter. Our independent directors also meet the director independence standards of the New York Stock Exchange, Inc.

Certain Relationships and Related Transactions

Modification related to the Delshah Loan

On December 31, 2020, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to the Delshah Preferred Equity Interest to be held by RIT Lending. As a result, as of December 31, 2020, the Company's total interest was reduced to $81,000, which represents a 1.00% ownership interest in the Delshah Loan. Pursuant to the loan modification transaction, at December 31, 2020, the Company owed $4,351,000 to CFI for repurchases of loan participations sold, which has been included as a component of Due to related party in the accompanying consolidated balance sheet.

Fees and Expenses

The Company and the Advisor entered into an amended and restated advisory agreement, dated as of September 28, 2018, as amended by amendment no. 1 to the amended and restated advisory agreement (the "Advisory Agreement"), dated and effective as of September 28, 2019. The amendment to the Advisory Agreement (i) amends the monthly asset management fee from one-twelfth of 1.25% of the cost of the Company's investments at the end of each month, to one-twelfth of 1.20% of the Company's most recently disclosed NAV and (ii) renews the term of the Advisory Agreement for an additional one-year term commencing on September 28, 2019. On September 28, 2020, the Advisory Agreement was renewed for an additional one-year term. Pursuant to the Advisory Agreement, and subject to certain restrictions and limitations, the Advisor is responsible for managing the Company's affairs on a day-to-day basis and for identifying, originating, acquiring, and managing investments on behalf of the Company. For providing such services, the Advisor receives fees and reimbursements from the Company. The following summarizes these fees and reimbursements.

Organization and Offering Expenses. The Company will reimburse the Advisor and its affiliates for O&O Costs it incurs on the Company's behalf but only to the extent that the reimbursement will not cause the selling commissions, the dealer manager fee and the other organization and offering expenses to be borne by the Company to exceed 15% of gross offering proceeds of the Offering as of the date of the reimbursement. If the Company raises the maximum offering amount in the Primary Offering and under the DRP, the Company estimates O&O Costs in the aggregate, to be 1% of gross offering proceeds of the Offering. These O&O Costs include all costs (other than upfront selling commissions, dealer manager fees and distribution fees) to be paid by the Company in connection with the initial set up of the organization of the Company as well as the Offering, including legal, accounting, printing, mailing and filing fees, charges of the transfer agent, charges of the Advisor for administrative services related to the issuance of shares in the Offering, reimbursement of bona fide due diligence expenses of broker-dealers, and reimbursement of the Advisor for costs in connection with preparing supplemental sales materials.

The Advisor has agreed to pay for all O&O Costs on the Company's behalf through the Escrow Break Anniversary. After the Escrow Break Anniversary, the Advisor, in its sole discretion, may pay some or all of the additional O&O Costs incurred, but is not required to do so. To the extent the Advisor pays such additional O&O Costs, the Company will be obligated to reimburse the Advisor subject to the 1% Cap. The Company began reimbursing the Advisor for such costs ratably over the 36 months following the Escrow Break Anniversary; provided that the Company will not be obligated to reimburse any amounts that as a result of such payment would cause the aggregate payments for O&O Costs to be paid to the Advisor to exceed the 1% Cap as of such reimbursement date. As of December 31, 2020 and December 31, 2019, the Advisor had incurred $5,897,934 and $5,753,263, respectively, of O&O Costs on behalf of the Company. The Company's obligation is limited to the 1% Cap, less any reimbursement payments made by the Company to the Advisor for O&O Costs incurred, which at December 31, 2020 and December 31, 2019 was $115,277 and $98,054, respectively, and is included within Due to related party in the accompanying consolidated balance sheets. At December 31, 2020, in prior periods organizational costs of $449 had been recorded since inception in General and administrative expenses. As of December 31, 2020 and December 31, 2019, offering costs of $188,710 and $116,853, respectively, were charged to stockholders' equity. As of December 31, 2020 and December 31, 2019, the Company has made reimbursement payments of $73,882 and $19,248, respectively, to the Advisor for O&O Costs incurred. As of December 31, 2020, the Advisor has continued to pay all O&O Costs on behalf of the Company.

Acquisition Expenses. The Company does not intend to pay the Advisor any acquisition fees in connection with making investments. The Company will, however, provide reimbursement of customary acquisition expenses (including expenses relating to potential investments that the Company does not close), such as legal fees and expenses (including fees of in-house counsel of affiliates and other affiliated service providers that provide resources to the Company), costs of due diligence (including, as necessary, updated appraisals, surveys and environmental site assessments), travel and communication expenses, accounting fees and expenses and other closing costs and miscellaneous expenses relating to the acquisition or origination of the Company's investments. While most of the acquisition expenses are expected to be paid to third parties, a portion of the out-of-pocket acquisition expenses may be paid or reimbursed to the Advisor or its affiliates. The Advisor has not incurred any reimbursable acquisition expenses on behalf of the Company as of December 31, 2020 or December 31, 2019.

Origination Fees. The Company will pay the Advisor up to 1.0% of the amount funded by the Company to originate commercial real estate-related loans, but only if and to the extent there is a corresponding fee paid by the borrower to the Company. During the years ended December 31, 2020 and December 31, 2019, no origination fees were paid or incurred.

Asset Management Fees. Asset management fees are due to the Advisor. Prior to September 2019, asset management fees consisted of monthly fees equal to one-twelfth of 1.25% of the cost of the Company's investments at the end of each month. Effective as of September 2019, asset management fees payable to the Advisor consist of monthly fees equal to one-twelfth of 1.20% of the Company's most recently disclosed NAV.

For the year ended December 31, 2020 and December 31, 2019, the Company incurred asset management fees of $156,107 and $95,953, respectively. The asset management fee related to the month of December 2020 of $14,834 is unpaid as of December 31, 2020, and has been included within Due to related party on the consolidated balance sheet. The amount of asset management fees incurred by the Company during the applicable period is included in the calculation of the limitation of operating expenses pursuant to the 2%/25% Guidelines (as defined and described below).

Other Operating Expenses. Effective beginning in the third quarter of 2018, the Advisory Agreement (i) includes limitations with regards to the incurrence of and additional limitations on reimbursements of operating expenses and (ii) clarifies the reimbursement and expense timing and procedures, including potential reimbursement of Unreimbursed Operating Expenses.

Pursuant to the terms of the Advisory Agreement between the Company and the Advisor, the Company is obligated to reimburse the Advisor for certain operating expenses. Beginning on October 1, 2019, the Company was subject to the limitation that it generally may not reimburse the Advisor for any amounts by which the total operating expenses at the end of the four preceding fiscal quarters exceeds the greater of (i) 2.0% of average invested assets (as defined in the Advisory Agreement) and (ii) 25.0% of net income other than any additions to reserves for depreciation, bad debts or other similar non-cash reserves and excluding any gain from the sale of investments for that period (the "2%/25% Guidelines"). If the Company's independent directors determine that all or a portion of such amounts in excess of the limitation are justified based on certain factors, the Company may reimburse amounts in excess of the limitation to the Advisor. In addition, beginning on October 1, 2019, the Company may request that any operating expenses that were previously reimbursed to the Advisor in prior or future periods in excess of the limitation to be that remitted back to the Company. As of December 31, 2020, the Company has accrued but not reimbursed any of the $108,485 in operating expenses pursuant to the Advisory Agreement, which represents the current operating expense reimbursement obligation to the Advisor.

The Advisory Agreement provides that, subject to other limitations on the incurrence and reimbursement of operating expenses contained in the Advisory Agreement, operating expenses which have been incurred and paid by the Advisor will not become an obligation of the Company unless the Advisor has invoiced the Company for reimbursement, which will occur in a quarterly statement and accrued for in the respective period. The Advisor will not invoice the Company for any reimbursement if the impact of such would result in the Company's incurrence of an obligation in an amount that would result in the Company's net asset value per share for any class of shares to be less than $25.00. The Company may, however, incur and record an obligation to reimburse the Advisor, even if it would result in the Company's net asset value per share for any class of shares for such quarter to be less than $25.00, if the Company's board of directors determines that the reasons for the decrease of the Company's net asset value per share below $25.00 were unrelated to the Company's obligation to reimburse the Advisor for operating expenses.

In addition, the Advisory Agreement provides that all or a portion of the operating expenses, which have not been previously paid by the Company or invoiced by the Advisor may be in the sole discretion of the Advisor: (i) waived by the Advisor, (ii) reimbursed to the Advisor in any subsequent quarter or (iii) reimbursed to the Advisor in connection with a liquidity event or termination of the Advisory Agreement, provided that the Company has fully invested the proceeds from the Offering and the stockholders have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on their invested capital. Any reimbursement of operating expenses remains subject to the limitations described above and the limitations and the approval requirements relating to the 2%/25% Guidelines.

During the years ended December 31, 2020 and December 31, 2019, the Company did not incur any operating expenses reimbursable to the Advisor, in accordance with the terms of the Advisory Agreement.

Reimbursable operating expenses include personnel and related employment costs incurred by the Advisor or its affiliates in performing the services described in the Advisory Agreement, including but not limited to reasonable salaries and wages, benefits and overhead of all employees directly involved in the performance of such services. The Company is not obligated to reimburse the Advisor for costs of such employees of the Advisor or its affiliates to the extent that such employees (A) perform services for which the Advisor receives acquisition fees or disposition fees or (B) serve as executive officers of the Company. At December 31, 2020, any unpaid reimbursable operating expenses are included within Due to related party on the accompanying consolidated balance sheet.

As of December 31, 2020, the total amount of Unreimbursed Operating Expenses (as defined below) was $4,050,170. This includes operating expense incurred by the Advisor on the Company's behalf which have not been invoiced to the Company and amounts invoiced to the Company by the Advisor but not yet reimbursed ("Unreimbursed Operating Expenses"). The amount of operating expenses incurred by the Advisor during the year ended December 31, 2020 which were not invoiced to the Company amounted to $1,011,270.

Disposition Fees. For substantial assistance in connection with the sale of investments and based on the services provided, as determined by the independent directors, the Company will pay a disposition fee in an amount equal to 1.0% of the contract sales price of each commercial real estate loan or other investment sold, including mortgage-backed securities or collateralized debt obligations issued by a company subsidiary as part of a securitization transaction; provided, however, in no event may the disposition fee paid to the Advisor or its affiliates, when added to the real estate commissions paid to unaffiliated third parties, exceed the lesser of a competitive real estate commission or an amount equal to 6.0% of the contract sales price. If the Company takes ownership of a property as a result of a workout or foreclosure of a debt investment, the Company will pay a disposition fee upon the sale of such property.

The Company will not pay a disposition fee upon the maturity, prepayment, workout, modification or extension of a debt investment unless there is a corresponding fee paid by the borrower, in which case the disposition fee will be the lesser of: (i) 1.0% of the principal amount of the debt prior to such transaction; or (ii) the amount of the fee paid by the borrower in connection with such transaction. As of December 31, 2020 and December 31, 2019, no disposition fees have been incurred by the Company

Selling Commissions, Dealer Manager Fees and Distribution Fees

The Dealer Manager is a registered broker-dealer affiliated with CFI. The Company entered into the dealer manager agreement with the Dealer Manager and is obligated to pay various commissions and fees with respect to the Class A, Class T and Class I shares distributed in the Offering. For providing such services, the Dealer Manager receives fees. CFI is required to pay a portion of selling commissions and all of the dealer manager fees, up to a total of 4.0% of gross offering proceeds from the sale of Class A shares, Class T shares, and Class I shares, incurred in connection with the Offering. The Company will reimburse CFI for these costs (i) immediately prior to or upon the occurrence of a liquidity event, including (A) the listing of the Company's common stock on a national securities exchange or (B) a merger, consolidation or a sale of substantially all of the Company's assets or any similar transaction or any transaction pursuant to which a majority of the Company's board of directors then in office are replaced or removed, or (ii) upon the termination of the Advisory Agreement by the Company or by the Advisor. In each such case, the Company only will reimburse CFI after the Company has fully invested the proceeds from the Offering and the Company's stockholders have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on such invested capital. As of December 31, 2020, the likelihood, probability and timing of each of the possible occurrences or events listed in the preceding sentences (i) and (ii) in the preceding paragraph are individually and collectively uncertain. Additionally, whether or not the Company will have fully invested the proceeds from the Offering and also whether the Company's stockholders will have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on such invested capital at the time of any such occurrence or event is also uncertain. As of December 31, 2020 and December 31, 2019, CFI has paid Sponsor Support totaling $586,881 and $344,656, respectively, which will be subject to reimbursement by the Company to CFI in the event of these highly conditional circumstances. The following summarizes fees payable to the Dealer Manager:

Selling Commissions. Selling commissions payable to the Dealer Manager consist of (i) up to 1.0% of gross offering proceeds paid by CFI for Class A shares and Class T shares and (ii) up to 5.0% and 2.0% of gross offering proceeds from the sale of Class A shares and Class T shares, respectively, in the Primary Offering. All or a portion of such selling commissions may be re-allowed to participating broker-dealers. No selling commissions are payable with respect to Class I shares. As of December 31, 2020 and December 31, 2019, the Company has incurred $409,652 and $285,919 of selling commissions to date, respectively, which is included within Additional paid-in capital on the consolidated balance sheets. At December 31, 2020 and December 31, 2019, $116,852 and $66,316 of Sponsor Support, respectively, has been recorded and $116,102 and $66,316, respectively, has been reimbursed by CFI. During January 2021, the Company received the remaining Sponsor Support for selling commissions of $750 related to the month ended December 31, 2020.

Dealer Manager Fees. Dealer manager fees payable to the Dealer Manager consist of up to 3.0% of gross offering proceeds from the sale of Class A shares and Class T shares sold in the Primary Offering and up to 1.5% of gross offering proceeds from the sale of Class I shares sold in the Primary Offering, all of which will be paid by CFI. A portion of such dealer manager fees may be re-allowed to participating broker-dealers as a marketing fee. As of December 31, 2020 and December 31, 2019, the Company has recorded $471,530 and $283,105 of dealer manager fees to date, respectively, which is included within Additional paid-in capital on the consolidated balance sheets. As of December 31, 2020 and December 31, 2019, all of the Sponsor Support related to dealer manager fees has been recorded and $470,780 and $278,340, respectively, has been reimbursed by CFI. During January 2021, the Company received the remaining Sponsor Support for dealer manager fees of $750 related to the month ended December 31, 2020.

Distribution Fees. Distribution fees are payable to the Dealer Manager, subject to the terms set forth in the dealer manager agreement between the Company and the Dealer Manager. Distributions fees are paid with respect to the Company's Class T shares only, all or a portion of which may be re-allowed by the Dealer Manager to participating broker-dealers. The distribution fees accrue daily and are calculated on outstanding Class T shares issued in the Primary Offering in an amount equal to 1.0% per annum of (i) the gross offering price per Class T share in the Primary Offering, or (ii) if the Company is no longer offering shares in a public offering, the most recently published per share NAV of Class T shares. The distribution fee is payable monthly in arrears and is paid on a continuous basis from year to year. During the year ended December 31, 2020 and December 31, 2019, the Company paid distribution fees of $16,842 and $3,675, respectively. As of December 31, 2020 and December 31, 2019, the Company has incurred a liability of $171,493 and $49,739, respectively, which is included within Due to related party on the consolidated balance sheets, $4,014 and $1,132, respectively, of which was payable as of December 31, 2020 and December 31, 2019 and paid during January 2021 and January 2020, respectively.

The Company will cease paying distribution fees with respect to each Class T share on the earliest to occur of the following: (i) a listing of shares of common stock on a national securities exchange; (ii) such Class T share is no longer outstanding; (iii) the Dealer Manager's determination that total underwriting compensation from all sources, including dealer manager fees, sales commissions, distribution fees and any other underwriting compensation to be paid with respect to all Class A shares, Class T shares and Class I shares would be in excess of 10.0% of the gross proceeds of the Primary Offering; or (iv) the end of the month in which the transfer agent, on the Company's behalf, determines that total underwriting compensation with respect to the Class T shares held by a stockholder within his or her particular account, including dealer manager fees, sales commissions and distribution fees, would be in excess of 10.0% of the total gross offering price at the time of the investment in the Class T shares held in such account.

The Company will not pay any distribution fees on shares sold pursuant to the Company's DRP. The amount available for distributions on all Class T shares will be reduced by the amount of distribution fees payable with respect to the Class T shares issued in the Primary Offering such that all Class T shares will receive the same per share distributions.

The following table summarizes the above mentioned fees, and expenses incurred by the Company and Preferred Equity Interest payment due as of December 31, 2020:

Type of Fee or Reimbursement	Financial Statement Location	Due to related party as of December 31, 2019	Year ended December 31, 2020 Incurred	Year ended December 31, 2020 Paid	Due to related party as of December 31, 2020
Management Fees					
Asset management fees	Management fees	$ 10,521	$ 156,107	$ 151,794	$ 14,834
Organization, Offering and Operating Expense Reimbursements					
Operating expenses(1)	General and administrative expenses	108,485	—	—	108,485
Organization expenses(2)	General and administrative expenses	319	—	132	187
Offering costs(2)	Additional paid-in capital	97,735	75,257	57,902	115,090
Commissions and Fees					
Selling commissions and dealer manager fees, net	Additional paid-in capital	—	123,732	123,732	—
Distribution fees	Additional paid-in capital	49,739	138,596	16,842	171,493
Repurchase of loan participations sold					
Delshah Preferred Equity Interest	Investment in real estate-related assets	—	—	—	4,351,000
Total		**$ 266,799**	**$ 493,692**	**$ 350,402**	**$ 4,761,089**

Note: (1) As of December 31, 2020, the Advisor has incurred, on behalf of the Company, a total of $4,050,170 in Unreimbursed Operating Expenses, including a total of $1,011,270 during the year ended December 31, 2020 for which the Advisor has not invoiced the Company for reimbursement. The total amount of Unreimbursed Operating Expenses may, in future periods, be subject to reimbursement by the Company pursuant to the terms of the Advisory Agreement.

(2) As of December 31, 2020, the Advisor has incurred, on behalf of the Company, a total of $5,897,934 of O&O Costs, of which the Company's obligation is limited to $115,277, pursuant to the 1% Cap.

The following table summarizes the above mentioned fees and expenses incurred by the Company as of December 31, 2019:

Type of Fee or Reimbursement	Financial Statement Location	Due to related party as of December 31, 2018	Year ended December 31, 2019 Incurred	Year ended December 31, 2019 Paid	Due to related party as of December 31, 2019
Management Fees					
Asset management fees	Management fees	$ 3,730	$ 95,953	$ 89,162	$ 10,521
Organization, Offering and Operating Expense Reimbursements					
Operating expenses(1)	General and administrative expenses	108,485	—	—	108,485
Organization expenses(2)	General and administrative expenses	449	—	130	319
Offering costs(2)	Additional paid-in capital	38,957	77,896	19,118	97,735
Commissions and Fees					
Selling commissions and dealer manager fees, net	Additional paid-in capital	—	246,169	246,169	—
Distribution fees	Additional paid-in capital	—	53,414	3,675	49,739
Total		**$ 151,621**	**$ 473,432**	**$ 358,254**	**$ 266,799**

Note: (1) As of December 31, 2019, the Advisor has incurred, on behalf of the Company, a total of $3,038,901 in Unreimbursed Operating Expenses, including a total of $2,930,484 during the year ended December 31, 2019 for which the Advisor has not invoiced the Company for reimbursement. The total amount of Unreimbursed Operating Expenses may, in future periods, be subject to reimbursement by the Company pursuant to the terms of the Advisory Agreement.

(2) As of December 31, 2019, the Advisor has incurred, on behalf of the Company, a total of $5,753,263 of O&O Costs, of which the Company's obligation is limited to $98,054, pursuant to the 1% Cap.

Investment by CFI

CFI initially invested $200,001 in the Company through the purchase of 8,180 Class A shares at $24.45 per share. CFI may not sell any of these shares during the period it serves as our sponsor. Neither the Advisor nor CFI currently has any options or warrants to acquire additional shares of the Company.

As of December 31, 2020, CFI has invested $2,200,001 in the Company through the purchase of 88,180 shares (8,180 Class A shares for an aggregate purchase price of $200,001 and 80,000 Class I shares for an aggregate purchase price of $2,000,000).

Sponsor Support

The Company's sponsor, CFI, is a Delaware limited liability company and an affiliate of CFLP. CFI will pay a portion of selling commissions and all of the dealer manager fees, up to a total of 4.0% of gross offering proceeds from the sale of Class A shares and Class T shares, as well as 1.5% of gross offering proceeds from the sale of Class I shares, incurred in connection with the Offering. The Company will reimburse such expenses (i) immediately prior to or upon the occurrence of a liquidity event, including (A) the listing of the Company's common stock on a national securities exchange or (B) a merger, consolidation or a sale of substantially all of the Company's assets or any similar transaction or any transaction pursuant to which a majority of the Company's board of directors then in office are replaced or removed, or (ii) upon the termination of the Advisory Agreement by us or by the Advisor. In each such case, the Company will only reimburse CFI after the Company has fully invested the proceeds from the Offering and the Company's stockholders have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on such invested capital. As of December 31, 2020, CFI has paid Sponsor Support totaling $586,881.

Item 14. Principal Accounting Fees and Services.

Independent Auditors

During the year ended December 31, 2020, Ernst & Young LLP served as our independent auditor.

Audit and Non-Audit Fees

Aggregate fees that we were billed for the fiscal years ended December 31, 2020 and December 31, 2019 by our independent registered public accounting firm, Ernst & Young LLP, were as follows:

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2019
Audit fees	$ 209,450	$ 202,710
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
Total	$ 209,450	$ 202,710

Audit fees include amounts billed to us related to annual financial statement audit work, quarterly financial statement reviews and review of SEC registration statements.

The audit committee of our board of directors was advised that there were no services provided by Ernst & Young LLP that were unrelated to the audit of the annual fiscal year-end financial statements and the review of interim financial statements that could impair Ernst & Young from maintaining its independence as our independent auditor and concluded that it was.

Audit Committee Pre-Approval Policies and Procedures

In accordance with our audit committee pre-approval policy, all audit and non-audit services performed for us by our independent registered public accounting firm were pre-approved by the audit committee of our board of directors, which concluded that the provision of such services by Ernst & Young LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

The pre-approval policy provides for categorical pre-approval of specified audit and permissible non-audit services. Services to be provided by the independent registered public accounting firm that are not within the category of pre-approved services must be approved by the audit committee prior to engagement, regardless of the service being requested or the dollar amount involved.

Requests or applications for services that require specific separate approval by the audit committee are required to be submitted to the audit committee, and must include a description of the services to be provided and a statement by the independent registered public accounting firm and principal accounting officer of the Company confirming that the provision of the proposed services does not impair the independence of the independent registered public accounting firm.

The audit committee may delegate pre-approval authority to one or more of its members or a subcommittee. The member or members to whom such authority is delegated shall report any pre-approval decisions to the audit committee at its next scheduled meeting. The audit committee does not delegate to management its responsibilities to pre-approve services to be performed by the independent registered public accounting firm.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) (1) Financial Statements

See the accompanying Index to Financial Statement Schedule on page F-1.

(a) (2) Consolidated Financial Statement Schedules

None.

(a) (3) Exhibits

Exhibit Index

Exhibit Number	Description
3.1	Second Articles of Amendment and Restatement of Rodin Income Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Post-Effective Amendment No. 1 to Form S-11 (File No. 333-221814), filed on December 19, 2018)
3.2	Amended and Restated Bylaws of Rodin Income Trust, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Pre-Effective Amendment No. 1 to Form S-11 (File No. 333-221814), filed on April 13, 2018)
4.1	Form of Subscription Agreement (included as Appendix A to the Prospectus dated April 29, 2019, filed with the SEC on April 30, 2019)
4.2	Form of Distribution Reinvestment Plan (included as Appendix B to the Prospectus dated April 29, 2019, filed with the SEC on April 30, 2019)
10.1	Amended and Restated Advisory Agreement, by and among Rodin Income Trust, Inc., Rodin Income Trust Operating Partnership. L.P., Rodin Income Advisors, LLC, and Cantor Fitzgerald Investors, LLC and Rodin Income Trust OP Holdings, LLC, dated September 28, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on October 3, 2018)
10.2	Amendment No.1 to Amended and Restated Advisory Agreement, dated as of September 28, 2019, by and among Rodin Income Advisors, LLC, Rodin Income Trust, Inc., Rodin Income Trust Operating Partnership, L.P., Cantor Fitzgerald Investors, LLC and Rodin Income Trust OP Holdings LLC (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on November 14, 2019)
10.3	Agreement of Limited Partnership of Rodin Income Trust Operating Partnership, L.P. dated May 2, 2018 (incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed on June 14, 2018)
10.4	Rodin Income Trust, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Form 10-Q filed on June 14, 2018)
10.5	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.6 to the Company's Form S-11 (File No. 333-221814), filed with the SEC on November 30, 2017)
10.6	Reimbursement Agreement among Rodin Income Trust, Inc., Cantor Fitzgerald Investors, LLC and Rodin Income Trust OP Holdings, LLC dated May 2, 2018 (incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q for the quarter ended June 30, 2018 filed on August 14, 2018)
10.7	Dealer Manager Agreement among Rodin Income Trust, Inc., Cantor Fitzgerald Investors, LLC and Cantor Fitzgerald & Co. dated May 2, 2018 (incorporated by reference to Exhibit 1.1 to the Company's Form 10-Q filed on June 14, 2018)
10.8	Distribution Support Agreement between Cantor Fitzgerald Investors, LLC and Rodin Income Trust, Inc. dated May 2, 2018 (incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q filed on June 14, 2018)
31.1*	Certification of the Principal Executive Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Principal Financial Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32*	Written statements of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following materials from Rodin Income Trust, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2020 are formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Changes in Equity; (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.

* Filed herewith.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

RODIN INCOME TRUST, INC.

Date: March 26, 2021

By: /s/ Howard W. Lutnick
Howard W. Lutnick
Chief Executive Officer and Chairman of the Board of Directors
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Howard W. Lutnick and John C. Griffin, and each of them severally, his true and lawful attorney-in-fact with power of substitution and re-substitution to sign in his name, place and stead, in any and all capacities, to do any and all things and execute any and all instruments that such attorney may deem necessary or advisable under the Securities Exchange Act of 1934 and any rules, regulations and requirements of the U.S. Securities and Exchange Commission in connection with this Annual Report on Form 10-K and any and all amendments hereto, as fully for all intents and purposes as he might or could do in person, and hereby ratifies and confirms all said attorneys-in-fact and agents, each acting alone, and his substitute or substitutes, may lawfully do or cause to be done by virtue hereof. Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on behalf of the Registrant in the capacities and on the dates indicated.

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(d) OF THE ACT BY REGISTRANTS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT

No annual report or proxy materials have been sent to our stockholders for the period covered by this Annual Report on Form 10-K. If a proxy statement is delivered to more than ten of our stockholders with respect to an annual or other meeting of stockholders, copies of such materials will be furnished to the SEC at that time. We will deliver to our stockholders a copy of this Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Howard W. Lutnick Howard W. Lutnick	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	March 26, 2021
/s/ John C. Griffin John C. Griffin	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 26, 2021
/s/ Arthur F. Backal Arthur F. Backal	Director	March 26, 2021
/s/ Christopher P. Yoshida Christopher P. Yoshida	Director	March 26, 2021
/s/ Emanuel Stern Emanuel Stern	Director	March 26, 2021

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Rodin Income Trust, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Rodin Income Trust, Inc. (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, changes in equity, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

New York, New York
March 26, 2021

RODIN INCOME TRUST, INC.
CONSOLIDATED BALANCE SHEETS

		December 31, 2020		December 31, 2019
Assets				
Cash and cash equivalents	$	4,804,926	$	905,358
Commercial mortgage loans, held for investment		16,624,680		25,743,980
Investment in real estate-related assets		8,100,000		—
Receivables for commercial mortgage loans		1,800,000		—
Due from related party		41,463		4,765
Accrued interest receivable		184,937		177,177
Total assets	$	31,556,006	$	26,831,280
Liabilities and Equity				
Liabilities				
Loan participations sold	$	8,019,000	$	14,970,000
Due to related party		4,761,089		266,799
Distributions payable		110,004		67,730
Accrued interest payable		68,788		83,246
Accounts payable and accrued expenses		80,546		16,384
Total liabilities		13,039,427		15,404,159
Stockholders' equity				
Controlling interest				
Preferred stock, $0.01 par value per share, 50,000,000 shares authorized, and 0 issued and outstanding at December 31, 2020 and December 31, 2019, respectively		—		—
Class A common stock, $0.01 par value per share, 160,000,000 shares authorized, and 416,559 and 337,229 issued and outstanding at December 31, 2020 and December 31, 2019, respectively		4,166		3,372
Class T common stock, $0.01 par value per share, 200,000,000 shares authorized, 210,033 and 56,413 issued and outstanding at December 31, 2020 and December 31, 2019, respectively		2,100		564
Class I common stock, $0.01 par value per share, 50,000,000 shares authorized, and 175,241 and 99,575 issued and outstanding at December 31, 2020 and December 31, 2019, respectively		1,752		996
Additional paid-in capital		18,296,613		11,468,863
Retained earnings and cumulative distributions		99,823		(47,674)
Total controlling interest		18,404,454		11,426,121
Non-controlling interests in subsidiaries		112,125		1,000
Total stockholders' equity		18,516,579		11,427,121
Total liabilities and stockholders' equity	$	31,556,006	$	26,831,280

The accompanying notes are an integral part of these consolidated financial statements.

RODIN INCOME TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	2020	2019
Interest income:		
Interest income	$ 2,637,935	$ 2,528,649
Less: Interest income related to loan participations sold	(1,184,699)	(1,619,180)
Total interest income, net	1,453,236	909,469
Operating expenses:		
General and administrative expenses	104,157	116,420
Management fees	156,107	95,953
Total operating expenses	260,264	212,373
Net income (loss)	$ 1,192,972	$ 697,096
Weighted average shares outstanding	633,113	362,060
Net income (loss) per common share - basic and diluted	$ 1.88	$ 1.93

The accompanying notes are an integral part of these consolidated financial statements.

RODIN INCOME TRUST, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Controlling Interest									
	Common Stock									
	Class A		Class T		Class I		Additional Paid-In Capital	Retained Earnings and Cumulative Distributions	Non-controlling interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of January 1, 2019	82,309	$ 823	—	$ —	87,139	$ 871	$ 4,060,151	$ (163,088)	$ 1,000	$ 3,899,757
Common stock	252,933	2,530	56,067	561	11,799	119	7,716,925	—	—	7,720,135
Common stock repurchased	—	—	—	—	—	—	—	—	—	—
Distribution reinvestment	1,987	19	346	3	637	6	69,265	—	—	69,293
Offering costs, commissions and fees	—	—	—	—	—	—	(377,478)	—	—	(377,478)
Net income (loss)	—	—	—	—	—	—	—	697,096	—	697,096
Distributions declared	—	—	—	—	—	—	—	(581,682)	—	(581,682)
Acquired non-controlling interests	—	—	—	—	—	—	—	—	—	—
Balance as of December 31, 2019	337,229	$ 3,372	56,413	$ 564	99,575	$ 996	$11,468,863	$ (47,674)	$ 1,000	$11,427,121

	Controlling Interest									
	Common Stock									
	Class A		Class T		Class I		Additional Paid-In Capital	Retained Earnings and Cumulative Distributions	Non-controlling interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of January 1, 2020	337,229	$ 3,372	$ 56,413	$ 564	$ 99,575	$ 996	$11,468,863	$ (47,674)	$ 1,000	$11,427,121
Common stock	80,513	806	151,595	1,516	75,813	758	7,163,255	—	—	7,166,335
Common stock repurchased	(5,996)	(60)	—	—	(1,151)	(12)	(159,227)	—	—	(159,299)
Distribution reinvestment	4,813	48	2,025	20	1,004	10	178,809	—	—	178,887
Offering costs, commissions and fees	—	—	—	—	—	—	(355,087)	—	—	(355,087)
Net income (loss)	—	—	—	—	—	—	—	1,192,972	—	1,192,972
Distributions declared	—	—	—	—	—	—	—	(1,045,475)	(13,875)	(1,059,350)
Acquired non-controlling interests	—	—	—	—	—	—	—	—	125,000	125,000
Balance as of December 31, 2020	416,559	4,166	210,033	2,100	175,241	1,752	$18,296,613	99,823	112,125	18,516,579

The accompanying notes are an integral part of these consolidated financial statements.

RODIN INCOME TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended Ended December 31, 2020	2019
Cash flows from operating activities:		
Net income (loss)	$ 1,192,972	$ 697,096
Changes in assets and liabilities:		
(Increase)/decrease in due from related party	(36,698)	5,247
(Increase) in accrued interest receivable	(7,760)	(7,409)
Decrease in prepaid expenses	—	9,493
Increase/(decrease) in due to related party	4,311	(12,007)
(Decrease) in accrued interest payable	(14,458)	(52,811)
Increase/(decrease) in accounts payable and accrued expenses	64,162	(6,000)
Net cash provided by operating activities	1,202,529	633,609
Cash flows from investing activities:		
Repurchases of loan participation interest	(2,600,000)	(6,189,044)
Fundings of commercial mortgage loans, held for investment	(780,700)	(721,427)
Cash used in investing activities	(3,380,700)	(6,910,471)
Cash flows from financing activities:		
Proceeds from issuance of common stock	6,971,127	7,469,842
Distributions to common stockholders	(824,314)	(466,873)
Acquired non-controlling interests	104,100	—
Payments from redemptions of common stock	(159,299)	—
Preferred stock dividends	(13,875)	—
Net cash provided by financing activities	6,077,739	7,002,969
Net increase in cash and cash equivalents	3,899,568	726,107
Cash and cash equivalents, at beginning of year	$ 905,358	$ 179,251
Cash and cash equivalents, at end of year	$ 4,804,926	$ 905,358
Non-cash investing and financing activities:		
Conversion of commercial mortgage loans, held for investment to investment in real-estate related assets	$ 8,100,000	$ —
Repurchases of loan participation interest	$ 4,351,000	$ —
Receivables for commercial mortgage loans	$ 1,800,000	$ —
Distribution reinvestment	$ 178,887	$ 69,293
Distributions payable	$ 42,274	$ 45,516

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 – Organization and Business Purpose

Rodin Income Trust, Inc. (the "Company") was formed on January 19, 2016 as a Maryland corporation that has elected to qualify as a real estate investment trust ("REIT") for United States ("U.S.") federal income tax purposes, commencing with its 2019 tax year. The Company's consolidated financial statements include Rodin Income Trust Operating Partnership, L.P. (the "Operating Partnership"), RIT REIT Sub I, Inc. ("RIT REIT Sub I"), and RIT Lending, Inc. ("RIT Lending"). Both RIT REIT Sub I and RIT Lending are indirect wholly owned subsidiaries of the Company. Substantially all of the Company's business is expected to be conducted through the Operating Partnership, a Delaware partnership formed on January 19, 2016. The Company is the sole general and limited partner of the Operating Partnership. Unless the context otherwise requires, the "Company" refers to the Company and the Operating Partnership. The Company currently operates its business in one reportable segment, which intends to focus on originating mortgage or mezzanine loans, secured mainly by commercial real estate, investing in participations of such loans, and other real estate-related assets.

On January 22, 2016, the Company was capitalized with a $200,001 investment by its sponsor, Cantor Fitzgerald Investors, LLC ("CFI"), through the purchase of 8,180 Class A shares of common stock. In addition, an indirect wholly owned subsidiary of CFI, Rodin Income Trust OP Holdings, LLC (the "Special Unit Holder"), has invested $1,000 in the Operating Partnership and has been issued a special class of limited partnership units, which is recorded as a non-controlling interest on the consolidated balance sheets as of December 31, 2020 and December 31, 2019, respectively. The Company has registered with the Securities and Exchange Commission ("SEC") an offering of up to $1.25 billion in shares of common stock, consisting of up to $1.0 billion in shares in the Company's primary offering (the "Primary Offering") and up to $250 million in shares pursuant to its distribution reinvestment plan (the "DRP", and together with the Primary Offering, the "Offering"). On June 28, 2018, the Company satisfied the minimum offering requirement for the Offering (the "Minimum Offering Requirement") as a result of CFI's purchase of $2.0 million in Class I shares at $25.00 per share. On April 20, 2020, the Company's board of directors authorized the extension of the term of the Offering until May 2, 2021.

The Company intends to focus on originating mortgage, mezzanine and preferred equity loans secured mainly by commercial real estate located primarily in the U.S., United Kingdom, and other European Countries. The Company may also invest in commercial real estate securities and properties. Commercial real estate investments may include mortgage loans, subordinated mortgage and non-mortgage interests, including preferred equity investments and mezzanine loans, and participations in such instruments. Commercial real estate securities may include commercial mortgage-backed securities ("CMBS"), unsecured debt of publicly traded REITs, debt or equity securities of publicly traded real estate companies and structured notes.

As of December 31, 2020, the Company had made the following investments (collectively, the "Investments"):

- The Company originated, through RIT Lending, an $18 million fixed rate mezzanine loan (the "Delshah Loan") to DS Brooklyn Portfolio Mezz LLC (the "Mezzanine Borrower"), an affiliate of Delshah Capital Limited ("Delshah"), for the acquisition of a 28-property multifamily portfolio by Delshah located in Brooklyn and Manhattan, NY (each a "Property" and collectively the "Portfolio"). Subsequent to the initial origination, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to a preferred equity interest (the "Delshah Preferred Equity Interest") in DS Brooklyn Portfolio Holdings LLC. (See Notes 3 and 5)
- The Company also originated, through RIT lending, an $8.99 million floating-rate mezzanine loan (the "East 12th Street Loan"), to DS 531 E. 12th Mezz LLC (the "East 12th Street Mezzanine Borrower"), an affiliate of Delshah, for the acquisition of a multifamily property by Delshah located in Manhattan, NY (the "East 12th Street Property"). Approximately $6.83 million of the East 12th Street Loan was funded at closing. As of December 31, 2020, approximately $8.52 million of the East 12th Street Loan has been funded. (See Note 3)

The Company is externally managed by Rodin Income Advisors, LLC (the "Advisor"), a Delaware limited liability company and a wholly owned subsidiary of CFI. CFI is a wholly owned subsidiary of CFIM Holdings, LLC, which is a wholly owned subsidiary of Cantor Fitzgerald, L.P. ("CFLP").

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of management, the accompanying consolidated financial statements contain all adjustments and eliminations, consisting only of normal recurring adjustments necessary for a fair presentation in conformity with U.S. GAAP.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the balance sheet. Management believes that the estimates utilized in preparing the consolidated financial statements are reasonable. As such, actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, the Operating Partnership and any single member limited liability companies or other entities which are consolidated in accordance with U.S. GAAP. The Company consolidates variable interest entities ("VIEs") where it is the primary beneficiary and voting interest entities which are generally majority owned or otherwise controlled by the Company. All intercompany balances are eliminated in consolidation.

Variable Interest Entities

The Company determines if an entity is a variable interest entity ("VIE") in accordance with guidance in Accounting Standards Codification ("ASC") Topic 810, *Consolidation*. For an entity in which the Company has acquired an interest, the entity will be considered a VIE if both of the following characteristics are not met: 1) the equity investors in the entity have the characteristics of a controlling financial interest and 2) the equity investors' total investment at risk is sufficient to finance the entity's activities without additional subordinated financial support. The Company makes judgments regarding the sufficiency of the equity at risk based first on a qualitative analysis, then a quantitative analysis, if necessary. A qualitative analysis is generally based on a review of the design of the entity, including its control structure and decision-making abilities, and also its financial structure. In a quantitative analysis, the Company would incorporate various estimates, including estimated future cash flows, assumed hold periods and capitalization or discount rates.

If an entity is determined to be a VIE, the Company then determines whether to consolidate the entity as the primary beneficiary. The primary beneficiary has both (i) the power to direct the activities that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the entity.

The Company evaluates all of its investments to determine if they are VIEs utilizing judgments and estimates that are inherently subjective. If different judgments or estimates were used for these evaluations, it could result in differing conclusions as to whether or not an entity is a VIE and whether or not to consolidate such entity. As of December 31, 2020 and December 31, 2019, the Company concluded that it did not have any investments in VIEs.

Voting Interest Entities

A voting interest entity is an entity in which the total equity investment at risk is sufficient to enable it to finance its activities independently and the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity. The usual condition for a controlling financial interest in a voting interest entity is ownership of a majority voting interest. If the Company has a majority voting interest in a voting interest entity, the entity will generally be consolidated. The Company will not consolidate a voting interest entity if there are substantive participating rights by other parties and/or kick-out rights by a single party. The Company performs ongoing reassessments of whether entities previously evaluated under the voting interest framework have become VIEs, based on certain events, and therefore subject to the VIE consolidation framework, and vice versa.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less.

Commercial Mortgage Loans, Held for Investment

Commercial mortgage loans are generally intended to be held for investment and, accordingly, are carried at cost, net of unamortized loan fees, premiums, discounts and unfunded commitments. Commercial mortgage loans, held for investment that are deemed to be impaired are carried at amortized cost less a loan loss reserve, if deemed appropriate. Commercial mortgage loans where the Company does not have the intent to hold the loan for the foreseeable future or until its expected payoff are classified as held for sale and recorded at the lower of cost or estimated value. As of December 31, 2020 and December 31, 2019, the Company has originated two mezzanine loans and classified them as held for investment.

Mezzanine Loans

The Company has originated mezzanine loans to entities that are members of commercial real estate property owners. The mezzanine loans are secured by a pledge against the borrower's equity in the property owner and are subordinate to senior debt. The mezzanine loans are senior to any preferred equity or common equity in the property (see Note 3 – Commercial Mortgage Loans, Held for Investment for further information).

Loan Participations Sold

The Company has partially financed its Commercial mortgage loans, held for investment through the sale of participating mezzanine loan interests to CFI. To the extent that U.S. GAAP does not recognize a sale resulting from the loan participation interests sold, the Company does not derecognize the participation in the loan that it sold. Instead, the Company recognizes a loan participation sold liability in an amount equal to the principal of the loan participation sold. The Company continues to recognize interest income on the entire loan, including the interest attributable to the Loan participations sold (see Note 4 – Loan Participations Sold for further information).

Investment in Real Estate-Related Assets

Preferred Equity Investment

The Company has made a preferred equity investment in the Delshah Preferred Equity Interest. Preferred equity investments are generally intended to be held to maturity and, accordingly, are carried at cost, net of unamortized fees, premium, discount and unfunded commitments. Preferred Equity investments that are deemed to be impaired are carried at amortized cost less a loss reserve, if deemed appropriate. Preferred equity investments where the Company does not have the intent to hold the investment for the foreseeable future or until its expected payoff are classified as held for sale and recorded at the lower of cost or estimated value.

Preferred equity investments are considered impaired when, based on current information and events, it is probable that the Company will not be able to collect principal and preferred return income amounts due according to the contractual terms. The Company assesses the credit quality of the portfolio and adequacy of loss reserves on a periodic basis. Significant judgment of management is required in this analysis. The Company considers the estimated net recoverable value of the preferred equity investment as well as other factors, including but not limited to the fair value of any collateral, the amount and the status of any senior debt, the quality and financial condition of the borrower and the competitive situation of the area where the underlying collateral is located. Because this determination is based on projections of future economic events, which are inherently subjective, the amount ultimately realized may differ materially from the carrying value as of the balance sheet date. If upon completion of the assessment, the estimated fair value of the underlying collateral is less than the net carrying value of the preferred equity investment, a loss reserve is recorded with a corresponding charge to provision for losses. The loss reserve for each preferred equity investment is maintained at a level that is determined to be adequate by management to absorb probable losses.

Income recognition is suspended for a preferred equity investment at the earlier of the date at which payments become 90-days past due or when, in the opinion of management, a full recovery of income and principal becomes doubtful. When the ultimate collectability of the principal of an impaired preferred equity investment is in doubt, all payments are applied to principal under the cost recovery method. When the ultimate collectability of the principal of an impaired preferred equity investment is not in doubt, contractual preferred return income is recorded as preferred return income when received, under the cash basis method until an accrual is resumed when the preferred return investment becomes contractually current and performance is demonstrated to be resumed. A preferred return investment is written off when it is no longer realizable and/or legally discharged. No impairment losses were recorded during the year ended December 31, 2020 after the Company assessed the recoverability of its assets. As of December 31, 2020, no impairment losses have been identified.

Revenue Recognition

Interest income from the Company's Commercial mortgage loans, held for investment is recognized when earned and accrued based on the outstanding accrual balance and any related premium, discount, origination costs and fees are amortized over the term of the loan on a straight-line basis. The amortization is reflected as an adjustment to Interest income in earnings. The amortization of a premium or accretion of a discount is discontinued if such loan is reclassified to held for sale.

Preferred return income from the Company's preferred equity investment is recognized when earned and accrued based on the outstanding investment balance.

Credit Losses and Impairment on Commercial Mortgage Loans, Held for Investment

Loans are considered impaired when, based on current information and events, it is probable that the Company will not be able to collect principal and interest amounts due according to the contractual terms. The Company assesses the credit quality of the portfolio and adequacy of loan loss reserves on a periodic basis. Significant judgment of management is required in this analysis. The Company considers the estimated net recoverable value of the loan as well as other factors, including but not limited to the fair value of any collateral, the amount and the status of any senior debt, the credit quality and financial condition of the borrower, and the competitive situation of the area where the underlying collateral is located. Because this determination is based on projections of future economic events, which are inherently subjective, the amount ultimately realized may differ materially from the carrying value as of the balance sheet date. If upon completion of the assessment, the estimated fair value of the underlying collateral is less than the net carrying value of the loan, a loan loss reserve is recorded with a corresponding charge to provision for loan losses. The loan loss reserve for each loan is maintained at a level that is determined to be adequate by management to absorb probable losses.

Income recognition is suspended for a loan at the earlier of the date at which payments become 90-days past due or when, in the opinion of management, a full recovery of income and principal becomes doubtful. When the ultimate collectability of the principal of an impaired loan is in doubt, all payments are applied to principal under the cost recovery method. When the ultimate collectability of the principal of an impaired loan is not in doubt, contractual interest is recorded as interest income when received, under the cash basis method until an accrual is resumed when the loan becomes contractually current and performance is demonstrated to be resumed. A loan is written off when it is no longer realizable and/or legally discharged. As of December 31, 2020 and December 31, 2019, no impairment has been identified for loans that are held for investment. There are no loans that have been classified as past due or in non-accrual status as of December 31, 2020 and December 31, 2019.

Risks and Uncertainties

Financial instruments that potentially subject the Company to concentrations of credit risk include Cash and cash equivalents. At times, balances with any one financial institution may exceed the Federal Deposit Insurance Corporation insurance limits. The Company believes it mitigates this risk by investing its cash with high-credit quality financial institutions.

Receivables for commercial mortgage loans

Principal collections of commercial mortgage loans, held for investment receivable is comprised solely of amounts due from Delshah for a paydown of principal for the Delshah Loan. As of December 31, 2020 and December 31, 2019, the balance of Principal collections of commercial mortgage loans, held for investment receivable was $1,800,000 and $0, respectively. The full amount of Receivables for commercial mortgage loans outstanding was collected by the Company in January 2021.

Due from Related Party

Due from related party includes amounts owed to the Company by CFI pursuant to the terms of the Sponsor Support Agreement for the reimbursement of selling commissions and dealer manager fees, as well as other amounts due from the Advisor. As of December 31, 2020 and December 31, 2019, the balance of Due from related party was $41,463 and $4,765, respectively. The full amounts of Sponsor Support outstanding at December 31, 2020 and December 31, 2019 were received by the Company during January 2021 and January 2020, respectively.

Due to Related Party

Due to related party is comprised of amounts contractually owed by the Company for various services provided to the Company from a related party, as well as amounts due to CFI for repurchases of loan participations sold pursuant to the Delshah Loan modification, which at December 31, 2020 and December 31, 2019 was $4,761,089 and $266,799, respectively.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses is comprised of amounts owed by the Company for compensation to the Company's independent board of directors relating to pro-rated annual compensation as well as attendance at meetings of the board of directors, As of December 31, 2020 and December 31, 2019, accounts payable and accrued expenses was $80,546 and $16,384, respectively.

Organization and Offering Costs

The Advisor has agreed to pay, on behalf of the Company, all organizational and offering costs (including legal, accounting, and other costs attributable to the Company's organization and offering, but excluding upfront selling commissions, dealer manager fees and distribution fees) ("O&O Costs") through the first anniversary of the date on which the Company satisfied the Minimum Offering Requirement, which was June 28, 2019 (the "Escrow Break Anniversary"). After the Escrow Break Anniversary, the Advisor, in its sole discretion, may pay some or all of the additional O&O Costs incurred, but it is not required to do so. Following the Escrow Break Anniversary, the Company began reimbursing the Advisor for payment of the O&O Costs ratably over a 36-month period; provided, however, that the Company will not be obligated to pay any amounts that as a result of such payment would cause the aggregate payments for O&O Costs (less selling commissions, dealer manager fees and distribution fees) paid to the Advisor to exceed 1% of gross proceeds of the Offering (the "1% Cap"), as of such payment date. To the extent the Advisor pays any additional O&O Costs, the Company will be obligated to reimburse the Advisor subject to the 1% Cap. Any amounts not reimbursed in any period shall be included in determining any reimbursement liability for a subsequent period. As of December 31, 2020, the Advisor has continued to pay all O&O Costs on behalf of the Company.

As of December 31, 2020 and December 31, 2019, the Advisor has incurred $5,897,934 and $5,753,263, respectively, of O&O Costs on behalf of the Company. The Company's obligation is limited to the 1% Cap, less any reimbursement payments made by the Company to the Advisor for O&O costs incurred, which at December 31, 2020 and December 31, 2019 was $115,277 and $98,054, respectively, and is included within Due to related party in the accompanying consolidated balance sheets. As of December 31, 2020, in prior periods organizational costs of $449 had been recorded since inception in General and administrative expenses. As of December 31, 2020 and December 31, 2019, offering costs of $188,710 and $116,853, respectively, were charged to stockholders' equity. As of December 31, 2020 and December 31, 2019, the Company has made reimbursement payments of $73,882 and $19,248, respectively, to the Advisor for O&O Costs incurred.

Income Taxes

The Company has elected and qualified to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, commencing with its 2019 tax year. Accordingly, the Company generally will not be subject to U.S. federal income tax to the extent of its distributions to stockholders and as long as certain asset, income, share ownership, minimum distribution and other requirements are met. To qualify as a REIT, the Company must annually distribute at least 90% of its REIT taxable income to its stockholders and meet certain other requirements. Under certain circumstances, federal income and excise taxes may be due on its undistributed taxable income. The Company may also be subject to certain state, local and franchise taxes. If the Company fails to meet these requirements, it will be subject to U.S. federal income tax, which could have a material adverse impact on its results of operations and amounts available for distributions to its stockholders.

The Company provides for uncertain tax positions based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. Management is required to determine whether a tax position is more likely than not to be sustained upon examination by tax authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Because assumptions are used in determining whether a tax benefit is more likely than not to be sustained upon examination by tax authorities, actual results may differ from the Company's estimates under different assumptions or conditions.

Earnings Per Share

Basic net income (loss) per share of common stock is determined by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is determined by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding during the period, including common stock equivalents. As of December 31, 2020 and December 31, 2019, there were no material common stock equivalents that would have a dilutive effect on net income (loss) per share for common stockholders. All classes of common stock are allocated net income (loss) at the same rate per share.

For the years ended December 31, 2020 and December 31, 2019, basic and diluted net income per common share was $1.88 and $1.93, respectively.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This standard requires lessees to recognize a right-of-use (“ROU”) asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on the classification of a lease as a finance or operating lease. The amendments also require certain quantitative and qualitative disclosures. Accounting guidance for lessors is mostly unchanged. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*, to clarify how to apply certain aspects of the new leases standard. The amendments address the rate implicit in the lease, impairment of the net investment in the lease, lessee reassessment of lease classification, lessor reassessment of lease term and purchase options, variable payments that depend on an index or rate and certain transition adjustments, among other issues. In addition, in July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an additional (and optional) transition method to adopt the leases standard. Under this transition method, a reporting entity would initially apply the lease requirements at the effective date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption; continue to report comparative periods presented in the financial statements in the period of adoption in accordance with previous U.S. GAAP (i.e., ASC 840, *Leases*); and provide the required disclosures required by ASC 840 for all periods presented under that standard. Further, ASU No. 2018-11 contains an additional practical expedient that allows lessors to avoid separating lease and associated non-lease components within a contract if certain criteria are met. In December 2018, the FASB issued ASU No. 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*, to clarify guidance for lessors on sales taxes and other similar taxes collected from lessees, certain lessor costs and recognition of variable payments for contracts with lease and non-lease components. In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842), Codification Improvements,* to clarify certain application and transitional disclosure aspects of the leases standard. The amendments address determination of the fair value of the underlying asset by lessors that are not manufacturers or dealers and clarify interim period transition disclosure requirements, among other issues. The guidance in ASUs 2016-02, 2018-10, 2018-11 and 2018-20 was effective beginning January 1, 2019, with early adoption permitted; whereas the guidance in ASU 2019-01 was effective beginning January 1, 2020, with early adoption permitted. The Company adopted the above mentioned standards on January 1, 2019 using the effective date as the date of initial application. Therefore, pursuant to this transition method financial information was not updated and the disclosures required under the leases standards were not provided for dates and periods before January 1, 2019. The adoption of this guidance did not have an impact on the Company’s consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The guidance is part of the FASB’s disclosure framework project, whose objective and primary focus are to improve the effectiveness of disclosures in the notes to financial statements. The ASU eliminates, amends and adds certain disclosure requirements for fair value measurements. The FASB concluded that these changes improve the overall usefulness of the footnote disclosures for financial statement users and reduce costs for preparers. The new standard became effective for the Company beginning January 1, 2020 and early adoption is permitted for eliminated and modified fair value measurement disclosures. Certain disclosures are required to be applied prospectively and other disclosures need to be adopted retrospectively in the period of adoption. As permitted by the transition guidance in the ASU, the Company early adopted, eliminated and modified disclosure requirements as of September 30, 2018. The early adoption of this guidance did not have an impact on the Company’s consolidated financial statements. The additional disclosure requirements were adopted by the Company beginning January 1, 2020, and the adoption of these fair value measurement disclosures did not have an impact on the Company’s consolidated financial statements. See Note 10 — Fair Value Measurements for additional information.

In October 2018, the FASB issued ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*. The guidance was issued in response to stakeholders’ observations that Topic 810, *Consolidation*, could be improved in the areas of applying the VIE guidance to private companies under common control and in considering indirect interests held through related parties under common control for determining whether fees paid to decision makers and service providers are variable interests. The Company adopted the standard on its effective date beginning January 1, 2020. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

In July 2019, the FASB issued ASU No. 2019-07, *Codification Updates to SEC Sections—Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates*. The guidance clarifies or improves the disclosure and presentation requirements of a variety of codification topics by aligning them with already effective SEC rules, thereby eliminating redundancies and making the codification easier to apply. This ASU was effective upon issuance, and it did not have a material impact on the Company’s consolidated financial statements and related disclosures.

New Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires financial assets that are measured at amortized cost to be presented, net of an allowance for credit losses, at the amount expected to be collected over their estimated life. Expected credit losses for newly recognized financial assets, as well as changes to credit losses during the period, are recognized in earnings. For certain purchased financial assets with deterioration in credit quality since origination ("PCD assets"), the initial allowance for expected credit losses will be recorded as an increase to the purchase price. Expected credit losses, including losses on off-balance-sheet exposures such as lending commitments, will be measured based on historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, to clarify that operating lease receivables accounted for under ASC 842, *Leases*, are not in the scope of the new credit losses guidance, and, instead, impairment of receivables arising from operating leases should be accounted for in accordance with ASC 842, *Leases*. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. The ASU makes changes to the guidance introduced or amended by ASU No. 2016-13 to clarify the scope of the credit losses standard and address guidance related to accrued interest receivable balances, recoveries, variable interest rates and prepayments, among other issues. In addition, in May 2019, the FASB issued ASU No. 2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief*. The amendments in this ASU allow entities, upon adoption of ASU No. 2016-13, to irrevocably elect the fair value option for financial instruments that were previously carried at amortized cost and are eligible for the fair value option under ASC 825-10, *Financial Instruments: Overall*. In November 2019, the FASB issued ASU No. 2019-10, *Financial instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842) Effective Dates.* Pursuant to this ASU, the effective date of the new credit losses standard was deferred, and the new credit impairment guidance will become effective for the Company on January 1, 2023 under a modified retrospective approach, and early adoption is permitted. In addition, in November 2019, the FASB issued ASU No. 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*. The amendments in this ASU require entities to include certain expected recoveries of the amortized cost basis previously written off, or expected to be written off, in the allowance for credit losses for PCD assets; provide transition relief related to troubled debt restructurings; allow entities to exclude accrued interest amounts from certain required disclosures; and clarify the requirements for applying the collateral maintenance practical expedient. The amendments in ASUs No. 2018-19, 2019-04, 2019-05, 2019-10 and 2019-11 are required to be adopted concurrently with the guidance in ASU No. 2016-13. The Company plans to adopt the standards on January 1, 2023. Management is continuing to implement the new credit losses guidance, including the assessment of the impact of the new guidance on the Company's consolidated financial statements. Given the objective of the new standard, it is generally expected allowances for credit losses for the financial instruments within its scope would increase, however, the amount of any change will be dependent on the composition and quality of the Company's portfolios at the adoption date as well as economic conditions and forecasts at that time.

In January 2020, the FASB issued ASU No. 2020-01, *Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force)*. These amendments improve current guidance by reducing diversity in practice and increasing comparability of the accounting for the interactions between these codification topics as they pertain to certain equity securities, investments under the equity method of accounting and forward contracts or purchased options to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting or the fair value option. The new standard will become effective for the Company beginning January 1, 2022 and will be applied prospectively. Early adoption is permitted. Management is currently evaluating the impact of the new guidance on the Company's consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-03, *Codification Improvements to Financial Instruments*. This ASU makes narrow-scope amendments related to various aspects pertaining to financial instruments and related disclosures by clarifying or improving the Codification. Certain guidance became effective for the Company for annual periods beginning January 1, 2020, and the adoption of this guidance did not have a material impact on the Company's consolidated financial statements. The guidance related to credit losses will be effective for the Company on January 1, 2023. Early adoption is permitted. Management is currently evaluating the impact of the new credit losses guidance on the Company's consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The guidance is designed to provide relief from the accounting analysis and impacts that may otherwise be required for modifications to agreements (e.g., loans, debt securities, derivatives, and borrowings) necessitated by reference rate reform as entities transition away from LIBOR and other interbank offered rates to alternative reference rates. This ASU also provides optional expedients to enable companies to continue to apply hedge accounting to certain hedging relationships impacted by reference rate reform. Application of the guidance is optional and only available in certain situations. The ASU is effective upon issuance and generally can be applied through December 31, 2022. In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*. The amendments in this standard are elective and principally apply to entities that have derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform (referred to as the "discounting transition"). The standard expands the scope of ASC 848, *Reference Rate Reform,* and allows entities to elect optional expedients to derivative contracts impacted by the discounting transition. Similar to ASU No. 2020-04, provisions of this ASU are effective upon issuance and generally can be applied through December 31, 2022. Management is currently evaluating the impact of the new guidance on the Company's consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The standard is expected to reduce complexity and improve comparability of financial reporting associated with accounting for convertible instruments and contracts in an entity's own equity. The ASU also enhances information transparency by making targeted improvements to the related disclosures guidance. Additionally, the amendments affect the diluted EPS calculation for instruments that may be settled in cash or shares and for convertible instruments. The new standard will become effective for the Company beginning January 1, 2024 and can be applied using either a modified retrospective or a fully retrospective method of transition. Early adoption is permitted, but no earlier than beginning January 1, 2021. Management is currently evaluating the impact of the new guidance on the Company's consolidated financial statements.

In October 2020, the FASB issued ASU No. 2020-10, *Codification Improvements*. The standard amends the Codification by moving existing disclosure requirements to (or adding appropriate references in) the relevant disclosure sections. The ASU also clarifies various provisions of the Codification by amending and adding new headings, cross-referencing, and refining or correcting terminology. The new standard will become effective for the Company beginning January 1, 2022 and can be applied using either a modified retrospective or a fully retrospective method of transition. Management is currently evaluating the impact of the new guidance on the Company's consolidated financial statements.

Note 3 – Commercial Mortgage Loans, Held for Investment

NYC Multi-family Portfolio Mezzanine Loan

On September 21, 2018, the Company originated, through RIT Lending, the Delshah Loan to the Mezzanine Borrower, an affiliate of Delshah, for the acquisition of the Portfolio. The fee simple interest in the Portfolio is held by DS Brooklyn Portfolio Owner LLC, a single purpose limited liability company (the "Senior Borrower") of which the Mezzanine Borrower owns 100% of the membership interests.

The Portfolio is comprised of 207 residential units and 19 commercial units that encompass 167,499 square feet.

The interest rate for the Delshah Loan for years one through five is 9.10%. Beginning on September 22, 2023, the interest rate for the Delshah Loan will change to the greater of (i) 9.10% or (ii) 275 basis points over the then existing five year U.S. Treasury Note Yield (the "Mortgage Loan Interest Rate"). However, in the event certain conditions described in the Delshah Loan mezzanine loan agreement are not satisfied at the end of year five, the interest rate for the Delshah Loan will increase to the greater of (i) 10.10% or (ii) 565 basis points over the Mortgage Loan Interest Rate in effect at the end of year five.

The Delshah Loan is secured by a pledge of 100% of the equity interests in the Senior Borrower. The Delshah Loan may be prepaid in its entirety, but not in part, subject to RIT Lending's receipt of eighteen months of minimum interest. The term of the Delshah Loan is ten years, with no option to extend. The Portfolio is managed by an affiliate of the Borrower.

In connection with the origination of the Delshah Loan, RIT Lending entered into a participation agreement (the "Delshah Loan Participation Agreement") with CFI. RIT Lending originated the Delshah Loan with (i) cash from the Offering equivalent to a 5% participation interest in the amount of $900,000 in the Delshah Loan and (ii) proceeds from the sale to CFI of a 95% participation interest in the amount of $17,100,000 in the Delshah Loan.

As of December 31, 2020 and December 31, 2019, the Company had repurchased participation interests in the Delshah Loan from CFI in the amount of $9,081,000 and $2,130,000, respectively.

During the years ended December 31, 2020 and December 31, 2019, the Company earned Interest income, net of $480,601 and $160,430, respectively, on the Delshah Loan, consisting of $1,665,300 and $1,660,750, respectively, of total Interest less $1,184,699 and $1,500,320, respectively, of Interest income related to Loan participations sold.

Summary of the modification

At Delshah's request, the Company agreed to the following modification of the Delshah Loan, effective December 31, 2020. On December 31, 2020, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to the Delshah Preferred Equity Interest in DS Brooklyn Portfolio Holdings LLC, the sole owner of the Mezzanine Borrower, on the terms described below, to be held by RIT Lending. The other member of DS Brooklyn Portfolio Holdings LLC is DS Property Acquisitions LLC, an affiliate of Delshah.

The remaining $8.1 million balance of the Delshah Loan remained outstanding as a mezzanine loan on the same terms as those in effect prior to the conversion. Following the conversion, CFI has 99% interest in the Delshah Loan and the Company has a 1% interest in the Delshah Loan and 100% of the Delshah Preferred Equity Interest.

The following table provides certain information about the Delshah Loan:

Loan Type	Loan Amount	Loan Term	Coupon	Amortization	Loan-to-Value(1)
Mezzanine Loan	$ 8,100,000	10 years	9.10% subject to a potential increase in year six	Interest only	83.14%

Note: (1) Loan-to-Value is calculated as of the date the Delshah Loan was originated.

533 East 12th Street, New York, NY

On November 1, 2018, the Company, through RIT Lending, originated the East 12th Street Loan to the East 12th Street Mezzanine Borrower, an affiliate of Delshah, for the acquisition of the East 12th Street Property. The fee simple interest in the East 12th Street Property is held by DS 531 E. 12th Owner LLC, a single purpose limited liability company (the "East 12th Street Senior Borrower") of which the East 12th Street Mezzanine Borrower owns 100% of the membership interests.

The following table provides certain information about the East 12th Street Loan:

Loan Type	Loan Amount	Initial Funding	Loan Term	Floating Rate Coupon	Amortization	Loan-to-Value(1)
Mezzanine Loan	$ 8,990,000	$ 6,830,000	3 years with two, 1-year extension options	LIBOR+9.25%	Interest only	84.28%

Note: (1) Loan-to-Value is calculated as of the date the East 12th Street Loan was originated and only includes amounts funded on the date of origination.

The East 12th Street Loan is secured by a pledge of 100% of the equity interests in the East 12th Street Senior Borrower. The East 12th Street Loan may be prepaid in its entirety or in part in connection with sales of condominium units, subject in each case to RIT Lending's receipt of eighteen months of minimum interest. The term of the East 12th Street Loan is three years, with two 1-year options to extend.

$6,830,000 of the East 12th Street Loan was funded at closing. $1,660,000 of the East 12th Street Loan was withheld and will be advanced to the extent the East 12th Street Property generates insufficient cash flow to fully cover payment of interest on the East 12th Street Loan. The remaining portion of the East 12th Street Loan, $500,000, was also withheld and will be advanced to pay for capital expenditure, broker commissions and tenant improvements associated with the East 12th Street Property as approved by RIT Lending. No interest will accrue on the unfunded amounts.

In connection with originating the East 12th Street Loan, RIT Lending entered into a participation agreement (the "East 12th Street Loan Participation Agreement") with CFI. RIT Lending originated the East 12th Street Loan with (i) cash from the Offering equivalent to a 20.42% participation interest in the East 12th Street Loan and (ii) proceeds from the sale to CFI of a 79.58% participation interest in the East 12th Street Loan.

As of September 30, 2020, the New York State Attorney General has approved the final condominium plan for the East 12th Street Property, and certain previously effective NYC work stoppage rules, originally enacted due to the COVID-19 pandemic, have been lifted. Such actions have resulted in renovations of the East 12th Street Property commencing, and the sale process of the condominium units that comprise the East 12th Street Property being engaged.

The delay in completion of the renovation and the anticipated extended duration of unit sales has resulted in a substantial draw-down by the East 12th Street Senior Borrower of the debt service/carry cost reserve under each of the East 12th Street senior and mezzanine loans. In order to replenish the East 12th Street senior loan interest/carry reserve and ensure sufficient funding to complete the project, Delshah requested an increase in the size of the East 12th Street senior loan, along with RIT Lending consent for such increase.

On December 11, 2020, RIT Lending executed the consent to the proposed upsizing and modification of the East 12th Street senior loan as well as the modification of the East 12th Street Loan as further described below. The changes to the East 12th Street senior loan include increases to the debt and equity amounts, increases to the required contingency and capital expenditure reserve amounts, as well as modifications to the cash waterfall. The cash waterfall was modified as follows: all net sales proceeds from the sales of condominiums are applied against the outstanding East 12th Street senior loan balance until the senior loan is fully paid off, then the remainder to Delshah. Prior to the modification, the East 12th Street senior loan provided for the following cash waterfall: all net sales proceeds applied against outstanding the senior loan balance until the senior loan is 50% paid off, then split 60/40% between the senior and the East 12th Street Loan until the senior loan is paid off in full, then to the East 12th Street Loan until paid off in full, and then the remainder to Delshah.

As of December 31, 2020, the Company and CFI had advanced $1,459,417 to cover interest shortfalls, reducing the amount withheld to fully cover payment of interest on the East 12th Street Loan to $200,583. As of December 31, 2020, the Company had advanced $235,263 for capital expenditure, reducing the amount withheld for capital expenditure, broker commissions and tenant improvements to $264,737. As of December 31, 2020, the total funded amount for the East 12th Street Loan was $8,524,680.

As of December 31, 2019, the Company and CFI had advanced $913,980 to cover interest shortfalls, reducing the amount withheld to fully cover payment of interest on the East 12th Street Loan to $746,020. As of December 31, 2019, the total funded amount for the East 12th Street Loan was $7,743,980, and the portion of the East 12th Street Loan withheld for capital expenditure, broker commissions and tenant improvements was unchanged from the initial balance of $500,000.

As of July 16, 2019, the Company had repurchased participation interests in the East 12th Street Loan from CFI in the amount of $5,609,044, increasing the Company's total interest in the East 12th Street Loan to 100%.

During the years ended December 31, 2020 and December 31, 2019, the Company earned Interest income, net of $972,635 and $749,039, respectively, on the East 12th Street Loan, consisting of $972,635 and $867,899, respectively, of total Interest less $0 and $118,860, respectively, of Interest income related to Loan participations sold to CFI.

The following table summarizes the activity on the loans at December 31, 2020.

Activity	Delshah Loan	RIT Participation Interest %	Total Delshah Loan	East 12th Street Loan	RIT Participation Interest %	Total East 12th Street Loan	Total Loans
Total Loan Amount	$ 18,000,000		$18,000,000	$ 8,990,000		$ 8,990,000	$ 26,990,000
Initial Funding	18,000,000	100.00%	18,000,000	6,830,000	100.00%	6,830,000	24,830,000
Interest Participation Sale	(17,100,000)	-95.00%	—	(5,435,000)	-79.58%	—	—
Ownership	900,000	5.00%	18,000,000	1,395,000	20.42%	6,830,000	24,830,000
Advance for Interest Shortfall	—	—	—	1,459,417	—	1,459,417	1,459,417
Interest Participation Sale - Interest Shortfall	—	—	—	(174,044)	—	—	—
Advance for Capital Expenditures	—	—	—	235,263	—	235,263	235,263
RIT Interest Participation Purchase	9,081,000	50.45%	—	5,609,044	79.58%	—	—
Principal Paydown	(1,800,000)	-10.00%	(1,800,000)	—	—	—	(1,800,000)
Conversion to Preferred Equity	(8,100,000)	-44.45%	(8,100,000)	—	—	—	(8,100,000)
Ownership	$ 81,000	1.00%	$ 8,100,000	$ 8,524,680	100.00%	$ 8,524,680	$ 16,624,680

During the years ended December 31, 2020 and December 31, 2019, the Company earned total Interest income, net of $1,453,236 and $909,469, respectively, which was comprised of total Interest income of $2,637,935 and $2,528,649, respectively, less Interest income related to Loan participations sold of $1,184,699 and $1,619,180, respectively.

Concentration of Credit Risk

The following table presents the geography and property type of collateral underlying the Company's Commercial mortgage loans, held for investment as a percentage of the loan's carrying value as of December 31, 2020 and December 31, 2019:

Geography	Collateral Property Type	Percentage
New York	Multifamily	100%

Note 4 – Loan Participations Sold

Delshah Loan Participation Agreement

In connection with the origination of the Delshah Loan, RIT Lending entered into the Delshah Loan Participation Agreement with CFI. The Company originated, through RIT Lending, the Delshah Loan with (i) cash from the Offering (as defined below) equivalent to a 5% participation interest in the amount of $900,000 in the Delshah Loan and (ii) proceeds from the sale to CFI of a 95% participation interest in the amount of $17,100,000 in the Delshah Loan. The Company intends, but is not obligated, to repurchase the remaining 95% of the participation interest in the Delshah Loan from CFI at a purchase price equivalent to the amount paid for the participation interest by CFI. The Delshah Loan Participation Agreement provides that participation certificates sold to CFI represent an undivided beneficial ownership interest in the Delshah Loan. The Delshah Loan Participation Agreement also specifies the parties' respective rights with respect to the Delshah Loan. The transactions with CFI were approved by the Company's board of directors, including by the majority of its independent directors.

As of December 31, 2020 and December 31, 2019, the Company had repurchased participation interests in the Delshah Loan from CFI totaling $9,081,000 and $2,130,000 respectively. On December 31, 2020, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to the Delshah Preferred Equity Interest in DS Brooklyn Portfolio Holdings LLC, the sole owner of the Delshah Borrower, to be held by RIT Lending. As a result, as of December 31, 2020, the Company's total interest was reduced to $81,000, which represents a 1.00% ownership interest in the Delshah Loan.

As of December 31, 2019, the Company had repurchased participation interests in the Delshah Loan from CFI totaling $2,130,000, increasing the Company's total interest to $3,030,000, representing a 16.83% ownership interest in the Delshah Loan.

East 12th Street Loan Participation Agreement

In connection with the origination of the East 12th Street Loan, RIT Lending entered into the East 12th Street Loan Participation Agreement with CFI. The Company originated, through RIT Lending, the East 12th Street Loan with (i) cash from the Offering equivalent to a 20.42% participation interest in the amount of $1,395,000 in the East 12th Street Loan and (ii) proceeds from the sale to CFI of a 79.58% participation interest in the amount of $5,435,000 in the East 12th Street Loan, at closing. The Company intended, but was not obligated, to purchase the remaining 79.58% of the participation interest in the East 12th Street Loan from CFI at a purchase price equivalent to the amount paid for the participation interest by CFI. The East 12th Street Loan Participation Agreement provides that participation certificates sold to CFI represent an undivided beneficial ownership interest in the East 12th Street Loan. The East 12th Street Loan Participation Agreement also specifies the parties' respective rights with respect to the East 12th Street Loan. The transactions with CFI were approved by the Company's board of directors, including by the majority of its independent directors.

In accordance with ASC Topic 860, *Transfers and Servicing*, the sales of participation interests in the Investments do not qualify as sales. Therefore, the Company presents the gross amount of the Investments as an asset and the Loan participations sold as a liability on the consolidated balance sheet. The gross presentation of Loan participations sold does not impact stockholders' equity or net income.

As of July 16, 2019, the Company had repurchased remaining participation interests in the East 12th Street Loan from CFI in the amount of $5,609,044. As a result, as of December 31, 2020 and December 31, 2019, the Company's ownership interest in the East 12th Street loan was 100%. As of December 31, 2020 and December 31, 2019 the Company had made interest shortfall fundings of $1,285,373 and $913,980, respectively, and capital expenditure advances of $235,263 and $0, respectively, increasing the Company's total interest to $8,524,680 and $7,743,980, respectively.

Note 5 – Investment in real estate-related assets

As described above in Note 3, pursuant to Delshah's request to modify the Delshah Loan, on December 31, 2020, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to the Delshah Preferred Equity Interest in DS Brooklyn Portfolio Holdings LLC.

The $8.1 million Delshah Preferred Equity Interest has the mandatory redemption date of the earlier of September 21, 2028 or the maturity date of either Delshah senior loan or Delshah Loan. In addition, the DS Property Acquisitions LLC (the "Operating Member"), an affiliate of Delshah, may redeem the Delshah Preferred Equity Interest in whole or in part on any business day upon at least 5 business days prior written notice.

The preferred return for the Delshah Preferred Equity Interest until September 21, 2023 is 10.00%. At such date, the preferred return for the Delshah Preferred Equity Interest will change to the greater of (i) 10.25% or (ii) 740 basis points over the then existing five-year U.S. Treasury Note Yield, such interest rate then in effect for Delshah Preferred Equity Interest is referred to as the Mortgage Loan Interest Rate. However, in the event certain conditions described in the next sentence are not satisfied by September 21, 2023, the interest rate for the Delshah Loan will increase to the greater of (i) 11.25% or (ii) 840 basis points over the Mortgage Loan Interest Rate in effect. The interest rate modification conditions to be satisfied by September 21, 2023 are: (a) a minimum financing yield on the combined Delshah Loan, Delshah senior loan and Delshah Preferred Equity Interest amount of 7.0%; (b) a financing service coverage ratio of at least 1.10x, on the combined Delshah Loan, Delshah senior loan and Delshah Preferred Equity Interest amount; and (c) the then outstanding balance of the combined Delshah Loan, Delshah senior loan and Delshah Preferred Equity Interest is not greater than 75.0% of the value of the Delshah portfolio. The Operating Member has the right to cause any portion of the preferred return in excess of 9.1% to be paid as a payment-in-kind (including as an increase in the capital balance of the Delshah Preferred Equity Interest).

On the 10th day of each month, available cash flow will be distributed as follows: (i) to any reserves required under the operating agreement of DS Brooklyn Portfolio Holdings LLC for taxes or insurance premiums, (ii) to the accrued and unpaid return on any special contributions made by RIT Lending, (iii) to repayment of any special contributions made by RIT Lending until paid in full, (iv) to the accrued and unpaid return on the Delshah Preferred Equity Interest, (v) provided no trigger event is continuing, to the payment of a cumulative return on the capital contribution made by RIT Lending at a rate equal to 15% (the "Operating Member Return"), (vi) to repayment of the capital balance of the Delshah Preferred Equity Interest, (vii) during the continuance of a trigger event, to the payment of the Operating Member Return, and (viii) any remaining amounts to be distributed on a pari passu basis 20% to RIT Lending and 80% to Operating Member. In addition, any excess proceeds will be used to pay down Delshah Preferred Equity Interest.

In connection with the Delshah Preferred Equity Interest, Delshah paid the Advisor a fee totaling $60,750 (75 basis points on the $8.1 million amount of the Delshah Preferred Equity Interest).

The following table provides certain information about the Delshah Preferred Equity Interest:

Portfolio	Original Investment Amount		Preferred Return
Preferred Equity Investment	$	8,100,000	Ranging from 10.00% in 2020 to 10.25% in 2023

Note 6 – Stockholders' Equity

Initial Public Offering

On November 30, 2017, the Company filed a registration statement with the SEC on Form S-11 in connection with the Offering. The registration statement was subsequently declared effective by the SEC on May 2, 2018. In addition, on June 28, 2018, the Company satisfied the Minimum Offering Requirement for the Offering as a result of CFI's purchase of $2.0 million in Class I shares at $25.00 per share.

The Company's shares of common stock consist of Class A shares, Class T shares and Class I shares, all of which are collectively referred to herein as shares of common stock. As of December 31, 2020, the Company's total number of authorized shares of common stock was 410,000,000 consisting of 160,000,000 of Class A authorized common shares, 200,000,000 of Class T authorized common shares and 50,000,000 of Class I authorized common shares. The Company has the right to reallocate the shares of common stock offered between the Primary Offering and the DRP. The Class A shares, Class T shares and Class I shares have identical rights and privileges, including identical voting rights, but have different upfront selling commissions and dealer manager fees and the Class T shares have an ongoing distribution fee. The per share amount of distributions on Class T shares will be lower than the per share amount of distributions on Class A shares and Class I shares because of the on-going distribution fee that is payable with respect to Class T shares sold in the Primary Offering.

CFI pays a portion of selling commissions and all of the dealer manager fees (“Sponsor Support”), up to a total of 4.0% of gross offering proceeds from the sale of Class A shares and Class T shares, and up to a total of 1.5% of gross offering proceeds from the sale of Class I shares, incurred in connection with the Offering. Selling commissions and dealer manager fees are presented net of Sponsor Support on the Company’s consolidated statements of stockholders’ equity. The Company will reimburse Sponsor Support (i) immediately prior to or upon the occurrence of a liquidity event, including (A) the listing of the Company’s common stock on a national securities exchange or (B) a merger, consolidation or a sale of substantially all of the Company’s assets or any similar transaction or any transaction pursuant to which a majority of the Company’s board of directors then in office are replaced or removed, or (ii) upon the termination of the Advisory Agreement (as defined below) by the Company or by the Advisor. In each such case, the Company will only reimburse CFI after the Company has fully invested the proceeds from the Offering and the Company’s stockholders have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on such invested capital.

Pursuant to the terms of the dealer manager agreement between the Company and Cantor Fitzgerald & Co. (the “Dealer Manager”), a related party, the Dealer Manager provides dealer manager services in connection with the Offering. The Offering is a best efforts offering, which means that the Dealer Manager will not be required to sell any specific number or dollar amount of shares of common stock in the Offering, but will use its best efforts to sell the shares of common stock. The Offering is a continuous offering that will end May 2, 2021, unless terminated earlier or extended further by the Company’s board of directors, as permitted by the SEC. The Company may continue to offer shares through the DRP after the Primary Offering terminates until the Company has sold $250 million in shares through the reinvestment of distributions.

The Company also has 50 million shares of preferred stock, $0.01 par value, authorized. No shares of preferred stock are issued or outstanding.

As of December 31, 2020, the Company had sold 793,653 shares of its common stock (consisting of 408,379 Class A shares and 175,241 Class I shares and 210,033 Class T shares) in the Offering for aggregate net proceeds of $18,314,241.

Distributions

The Company’s board of directors authorized, and the Company declared, distributions through August 14, 2019 in an amount equal to $0.004357260, for the period August 15, 2019 through November 14, 2019 in an amount equal to $0.004493151, and for the period November 15, 2019 through May 14, 2021 in an amount equal to $0.004602739, per day (or approximately $1.68 on an annual basis) per share of Class A common stock, Class I common stock and Class T common stock, less, for holders of the shares of Class T common stock, the distribution fees that are payable with respect to shares of Class T common stock. The distributions are payable by the 5th business day following each month end to stockholders of record at the close of business each day during the prior month.

To ensure that the Company has sufficient funds to cover cash distributions authorized and declared during the Offering, the Company and CFI entered into a distribution support agreement. The terms of the agreement provide that in the event that cash distributions exceed the Company’s defined modified funds from operations (“MFFO”), defined as a supplemental measure to reflect the operating performance of a non-traded REIT, for any calendar quarter through the termination of the Primary Offering, CFI shall purchase Class I shares from the Company in an amount equal to the distribution shortfall, up to $5 million (less the amount from any shares purchased by CFI in order to satisfy the Minimum Offering Requirement).

As of December 31, 2020 and December 31, 2019, the Company has declared common share distributions of $1,683,923 and $638,448 respectively, of which $110,004 and $67,730, respectively, was unpaid as of the respective reporting dates and has been recorded as Distributions payable on the accompanying consolidated balance sheets. All of the unpaid distributions as of December 31, 2020 were paid during January 2021. As of December 31, 2020 and December 31, 2019, distributions reinvested pursuant to the Company’s DRP are $251,548 and $72,661, respectively.

Redemptions

Stockholders are eligible to have their shares repurchased by the Company pursuant to the Amended and Restated Share Repurchase Program. The Company will repurchase shares at a price equal to, or at a discount from, NAV per share of the share class being repurchased subject to certain holding period requirements which effect the repurchase price as a percentage of NAV.

The Amended and Restated Share Repurchase Program includes numerous restrictions that limit stockholders' ability to have their shares repurchased. The Company limits the number of shares repurchased pursuant to the Amended and Restated Share Repurchase Program as follows: (i) during any calendar month, the Company may repurchase no more than 2% of the combined NAV of all classes of shares as of the last calendar day of the previous month (based on the most recently determined NAV per share) and (ii) during any calendar year, the Company may repurchase no more than 10% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar year. Further, the Company also has no obligation to repurchase shares if the redemption would violate the restrictions on distributions under Maryland law, which prohibits distributions that would cause a corporation to fail to meet statutory tests of solvency. The Company may amend, suspend or terminate the program for any reason upon 10 business days' notice.

As of December 31, 2020, the Company repurchased 7,147 shares, in the amount of $159,299. The Company did not repurchase any shares during the year ended December 31, 2019.

Non-controlling Interest

The Special Unit Holder has invested $1,000 in the Operating Partnership and has been issued a special class of limited partnership units as part of the overall consideration for the services to be provided by the Advisor.

In January 2020, in order to comply with certain REIT qualification requirements, RIT REIT Sub I issued in a private placement 125 shares of preferred stock to accredited investors for gross offering proceeds of $125,000. Pursuant to the private placement offering, RIT REIT Sub I incurred $20,900 of offering costs, which have been included within Additional paid-in capital on the accompanying consolidated balance sheet. The shares of preferred stock entitle the holders to an annual 12% preferred return, which, as of December 31, 2020, was $13,875. Such amount was paid to the preferred stockholders during 2020.

The above-mentioned Special Unit Holder interest and RIT REIT Sub I private placement offering have been recorded as components of non-controlling interest on the consolidated balance sheets as of December 31, 2020 and December 31, 2019, respectively.

Note 7 – Related Party Transactions

Modification related to the Delshah Loan

Effective as of December 31, 2020, an affiliate of Delshah paid down the original balance of the Delshah Loan by $1.8 million, resulting in a principal loan balance of $16.2 million. Concurrently with the pay down, $8.1 million (50% of the Delshah Loan) converted from the mezzanine loan to the Delshah Preferred Equity Interest to be held by RIT Lending. As a result, as of December 31, 2020, the Company's total interest was reduced to $81,000, which represents a 1.00% ownership interest in the Delshah Loan. Pursuant to the loan modification transaction, at December 31, 2020, the Company owed $4,351,000 to CFI for repurchases of loan participations sold, which has been included as a component of Due to related party in the accompanying consolidated balance sheet.

Fees and Expenses

The Company and the Advisor entered into an amended and restated advisory agreement, dated as of September 28, 2018, as amended by amendment no. 1 to the amended and restated advisory agreement (the "Advisory Agreement"), dated and effective as of September 28, 2019. The amendment to the Advisory Agreement (i) amends the monthly asset management fee from one-twelfth of 1.25% of the cost of the Company's investments at the end of each month, to one-twelfth of 1.20% of the Company's most recently disclosed NAV and (ii) renews the term of the Advisory Agreement for an additional one-year term commencing on September 28, 2019. On September 28, 2020, the Advisory Agreement was renewed for an additional one year term. Pursuant to the Advisory Agreement, and subject to certain restrictions and limitations, the Advisor is responsible for managing the Company's affairs on a day-to-day basis and for identifying, originating, acquiring and managing investments on behalf of the Company. For providing such services, the Advisor receives fees and reimbursements from the Company. The following summarizes these fees and reimbursements.

Organization and Offering Expenses. The Company will reimburse the Advisor and its affiliates for O&O Costs it incurs on the Company's behalf but only to the extent that the reimbursement will not cause the selling commissions, the dealer manager fee and the other organization and offering expenses to be borne by the Company to exceed 15% of gross offering proceeds of the Offering as of the date of the reimbursement. If the Company raises the maximum offering amount in the Primary Offering and under the DRP, the Company estimates organization and offering expenses (other than upfront selling commissions, dealer manager fees and distribution fees), in the aggregate, to be 1% of gross offering proceeds of the Offering. These O&O Costs include all costs (other than upfront selling commissions, dealer manager fees and distribution fees) to be paid by the Company in connection with the initial set up of the organization of the Company as well as the Offering, including legal, accounting, printing, mailing and filing fees, charges of the transfer agent, charges of the Advisor for administrative services related to the issuance of shares in the Offering, reimbursement of bona fide due diligence expenses of broker-dealers, and reimbursement of the Advisor for costs in connection with preparing supplemental sales materials.

The Advisor has agreed to pay for all O&O Costs on the Company's behalf through the Escrow Break Anniversary. After the Escrow Break Anniversary, the Advisor, in its sole discretion, may pay some or all of the additional O&O Costs incurred, but is not required to do so. To the extent the Advisor pays such additional O&O Costs, the Company will be obligated to reimburse the Advisor subject to the 1% Cap. The Company began reimbursing the Advisor for such costs ratably over the 36 months following the Escrow Break Anniversary; provided that the Company will not be obligated to reimburse any amounts that as a result of such payment would cause the aggregate payments for O&O Costs to be paid to the Advisor to exceed the 1% Cap as of such reimbursement date. As of December 31, 2020 and December 31, 2019, the Advisor had incurred $5,897,934 and $5,753,263, respectively, of O&O Costs on behalf of the Company. The Company's obligation is limited to the 1% Cap, less any reimbursement payments made by the Company to the Advisor for O&O Costs incurred, which at December 31, 2020 and December 31, 2019 was $115,277 and $98,054, respectively, and is included within Due to related party in the accompanying consolidated balance sheets. At December 31, 2020, in prior periods organizational costs of $449 had been recorded since inception in General and administrative expenses. As of December 31, 2020 and December 31, 2019, offering costs of $188,710 and $116,853, respectively, were charged to stockholders' equity. As of December 31, 2020 and December 31, 2019, the Company has made reimbursement payments of $73,882 and $19,248, respectively, to the Advisor for O&O Costs incurred. As of December 31, 2020, the Advisor has continued to pay all O&O Costs on behalf of the Company.

Acquisition Expenses. The Company does not intend to pay the Advisor any acquisition fees in connection with making investments. The Company will, however, provide reimbursement of customary acquisition expenses (including expenses relating to potential investments that the Company does not close), such as legal fees and expenses (including fees of in-house counsel of affiliates and other affiliated service providers that provide resources to the Company), costs of due diligence (including, as necessary, updated appraisals, surveys and environmental site assessments), travel and communication expenses, accounting fees and expenses and other closing costs and miscellaneous expenses relating to the acquisition or origination of the Company's investments. While most of the acquisition expenses are expected to be paid to third parties, a portion of the out-of-pocket acquisition expenses may be paid or reimbursed to the Advisor or its affiliates. The Advisor has not incurred any reimbursable acquisition expenses on behalf of the Company as of December 31, 2020 or December 31, 2019.

Origination Fees. The Company will pay the Advisor up to 1.0% of the amount funded by the Company to originate commercial real estate-related loans, but only if and to the extent there is a corresponding fee paid by the borrower to the Company. During the years ended December 31, 2020 and December 31, 2019, no origination fees were paid or incurred.

Asset Management Fees. Asset management fees are due to the Advisor. Prior to September 2019, asset management fees consisted of monthly fees equal to one-twelfth of 1.20% of the cost of the Company's investments at the end of each month. Effective as of September 2019, asset management fees payable to the Advisor consist of monthly-fees equal to one twelfth of 1.20% of the Company's most recently disclosed NAV.

For the years ended December 31, 2020 and December 31, 2019, the Company incurred asset management fees of $156,107 and $95,953, respectively. The asset management fee related to the month of December 2020 of $14,834 is unpaid as of December 31, 2020 and has been included within Due to related party on the consolidated balance sheet. The amount of asset management fees incurred by the Company during the applicable period is included in the calculation of the limitation of operating expenses pursuant to the 2%/25% Guidelines (as defined and described below).

Other Operating Expenses. Effective beginning in the third quarter of 2018, the Advisory Agreement (i) includes limitations with regards to the incurrence of and additional limitations on reimbursements of operating expenses and (ii) clarifies the reimbursement and expense timing and procedures, including potential reimbursement of Unreimbursed Operating Expenses (as defined below).

Pursuant to the terms of the Advisory Agreement between the Company and the Advisor, the Company is obligated to reimburse the Advisor for certain operating expenses. Beginning on October 1, 2019, the Company was subject to the limitation that it generally may not reimburse the Advisor for any amounts by which the total operating expenses at the end of the four preceding fiscal quarters exceeds the greater of (i) 2.0% of average invested assets (as defined in the Advisory Agreement) and (ii) 25.0% of net income other than any additions to reserves for depreciation, bad debts or other similar non-cash reserves and excluding any gain from the sale of investments for that period (the “2%/25% Guidelines”). If the Company’s independent directors determine that all or a portion of such amounts in excess of the limitation are justified based on certain factors, the Company may reimburse amounts in excess of the limitation to the Advisor. In addition, beginning on October 1, 2019, the Company may request any operating expenses that were previously reimbursed to the Advisor in prior periods in excess of the limitation to be remitted back to the Company. As of December 31, 2020 and December 31, 2019, the Company has accrued but not reimbursed any of the $108,485 in operating expenses pursuant to the Advisory Agreement, which represents the current operating expense reimbursement obligation to the Advisor.

The Advisory Agreement provides that, subject to other limitations on the incurrence and reimbursement of operating expenses contained in the Advisory Agreement, operating expenses which have been incurred and paid by the Advisor will not become an obligation of the Company unless the Advisor has invoiced the Company for reimbursement, which will occur in a quarterly statement and accrued for in the respective period. The Advisor will not invoice the Company for any reimbursement if the impact of such would result in the Company’s incurrence of an obligation in an amount that would result in the Company’s net asset value per share for any class of shares to be less than $25.00. The Company may, however, incur and record an obligation to reimburse the Advisor, even if it would result in the Company’s net asset value per share for any class of shares for such quarter to be less than $25.00, if the Company’s board of directors determines that the reasons for the decrease of the Company’s net asset value per share below $25.00 were unrelated to the Company’s obligation to reimburse the Advisor for operating expenses.

In addition, the Advisory Agreement provides that all or a portion of the operating expenses, which have not been previously paid by the Company or invoiced by the Advisor may be in the sole discretion of the Advisor: (i) waived by the Advisor, (ii) reimbursed to the Advisor in any subsequent quarter or (iii) reimbursed to the Advisor in connection with a liquidity event or termination of the Advisory Agreement, provided that the Company has fully invested the proceeds from its initial public offering and the stockholders have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on their invested capital. Any reimbursement of operating expenses remains subject to the limitations described above and the limitations and the approval requirements relating to the 2%/25% Guidelines.

During the years ended December 31, 2020 and December 31, 2019, the Company did not incur any operating expenses reimbursable to the Advisor, in accordance with the terms of the Advisory Agreement.

Reimbursable operating expenses include personnel and related employment costs incurred by the Advisor or its affiliates in performing the services described in the Advisory Agreement, including but not limited to reasonable salaries and wages, benefits and overhead of all employees directly involved in the performance of such services. The Company is not obligated to reimburse the Advisor for costs of such employees of the Advisor or its affiliates to the extent that such employees (A) perform services for which the Advisor receives acquisition fees or disposition fees or (B) serve as executive officers of the Company. At December 31, 2020, any unpaid reimbursable operating expenses are included within Due to related party on the accompanying consolidated balance sheet.

As of December 31, 2020, the total amount of Unreimbursed Operating Expenses (as defined below) was $4,050,170. This includes operating expenses incurred by the Advisor on the Company’s behalf which have not been invoiced to the Company and amounts invoiced to the Company by the Advisor but not yet reimbursed (“Unreimbursed Operating Expenses”). The amount of operating expenses incurred by the Advisor during the year ended December 31, 2020 which were not invoiced to the Company amounted to $1,011,270.

Disposition Fees. For substantial assistance in connection with the sale of investments and based on the services provided, as determined by the independent directors, the Company will pay a disposition fee in an amount equal to 1.0% of the contract sales price of each commercial real estate loan or other investment sold, including mortgage-backed securities or collateralized debt obligations issued by a Company's subsidiary as part of a securitization transaction; provided, however, in no event may the disposition fee paid to the Advisor or its affiliates, when added to the real estate commissions paid to unaffiliated third parties, exceed the lesser of a competitive real estate commission or an amount equal to 6.0% of the contract sales price. If the Company takes ownership of a property as a result of a workout or foreclosure of a debt investment, the Company will pay a disposition fee upon the sale of such property.

The Company will not pay a disposition fee upon the maturity, prepayment, workout, modification or extension of a debt investment unless there is a corresponding fee paid by the borrower, in which case the disposition fee will be the lesser of: (i) 1.0% of the principal amount of the debt prior to such transaction; or (ii) the amount of the fee paid by the borrower in connection with such transaction. As of December 31, 2020 and December 31, 2019, no disposition fees have been incurred by the Company.

Selling Commissions, Dealer Manager Fees and Distribution Fees

The Dealer Manager is a registered broker-dealer affiliated with CFI. The Company entered into the dealer manager agreement with the Dealer Manager and is obligated to pay various commissions and fees with respect to the Class A, Class T and Class I shares distributed in the Offering. For providing such services, the Dealer Manager receives fees. CFI is required to pay a portion of selling commissions and all of the dealer manager fees, up to a total of 4.0% of gross offering proceeds from the sale of Class A shares, Class T shares, and Class I shares, incurred in connection with the Offering. The Company will reimburse CFI for these costs (i) immediately prior to or upon the occurrence of a liquidity event, including (A) the listing of the Company's common stock on a national securities exchange or (B) a merger, consolidation or a sale of substantially all of the Company's assets or any similar transaction or any transaction pursuant to which a majority of the Company's board of directors then in office are replaced or removed, or (ii) upon the termination of the Advisory Agreement by the Company or by the Advisor. In each such case, the Company only will reimburse CFI after the Company has fully invested the proceeds from the Offering and the Company's stockholders have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on such invested capital.

As of December 31, 2020, the likelihood, probability and timing of each of the possible occurrences or events listed in the preceding sentences (i) and (ii) in this paragraph are individually and collectively uncertain. Additionally, whether or not the Company will have fully invested the proceeds from the Offering and also whether the Company's stockholders will have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on such invested capital at the time of any such occurrence or event is also uncertain. As of December 31, 2020 and December 31, 2019, CFI has paid Sponsor Support totaling $586,881 and $344,656, respectively, which will be subject to reimbursement by the Company to CFI in the event of these highly conditional circumstances. The following summarizes fees payable to the Dealer Manager:

Selling Commissions. Selling commissions payable to the Dealer Manager consist of (i) up to 1.0% of gross offering proceeds paid by CFI for Class A shares and Class T shares and (ii) up to 5.0% and 2.0% of gross offering proceeds from the sale of Class A shares and Class T shares, respectively, in the Primary Offering. All or a portion of such selling commissions may be re-allowed to participating broker-dealers. No selling commissions are payable with respect to Class I shares. As of December 31, 2020 and December 31, 2019, the Company has incurred $409,652 and $285,919 of selling commissions to date, respectively, which is included within Additional paid-in capital on the consolidated balance sheets. As of December 31, 2020 and December 31, 2019, $116,852 and $66,316 of Sponsor Support, respectively, has been recorded and $116,102 and $66,316, respectively, has been reimbursed by CFI. During January 2021, the Company received the remaining Sponsor Support for selling commissions of $750 related to the month ended December 31, 2020.

Dealer Manager Fees. Dealer manager fees payable to the Dealer Manager consist of up to 3.0% of gross offering proceeds from the sale of Class A shares and Class T shares sold in the Primary Offering and up to 1.5% of gross offering proceeds from the sale of Class I shares sold in the Primary Offering, all of which will be paid by CFI. A portion of such dealer manager fees may be re-allowed to participating broker-dealers as a marketing fee. As of December 31, 2020 and December 31, 2019, the Company has recorded $471,530 and $283,105 of dealer manager fees to date, respectively, which is included within Additional paid-in capital on the consolidated balance sheets. As of December 31, 2020 and December 31, 2019, all of the Sponsor Support related to dealer manager fees has been recorded and $470,780 and $278,340, respectively, has been reimbursed by CFI. During January 2021, the Company received the remaining Sponsor Support for dealer manager fees of $750 related to the year ended December 31, 2020.

Distribution Fees. Distribution fees are payable to the Dealer Manager, subject to the terms set forth in the dealer manager agreement between the Company and the Dealer Manager. Distributions fees are paid with respect to the Company's Class T shares only, all or a portion of which may be re-allowed by the Dealer Manager to participating broker-dealers. The distribution fees accrue daily and are calculated on outstanding Class T shares issued in the Primary Offering in an amount equal to 1.0% per annum of (i) the gross offering price per Class T share in the Primary Offering, or (ii) if the Company is no longer offering shares in a public offering, the most recently published per share NAV of Class T shares. The distribution fee is payable monthly in arrears and is paid on a continuous basis from year to year. During the years ended December 31, 2020 and December 31, 2019, the Company paid distribution fees of $16,842 and $3,675, respectively. As of December 31, 2020 and December 31, 2019, the Company has incurred a liability of $171,493 and $49,739, respectively, which is included within Due to related party on the consolidated balance sheets, $4,014 and $1,132, respectively, of which was payable as of December 31, 2020 and December 31, 2019 and paid during January 2021 and January 2020, respectively.

The Company will cease paying distribution fees with respect to each Class T share on the earliest to occur of the following: (i) a listing of shares of common stock on a national securities exchange; (ii) such Class T share is no longer outstanding; (iii) the Dealer Manager's determination that total underwriting compensation from all sources, including dealer manager fees, sales commissions, distribution fees and any other underwriting compensation to be paid with respect to all Class A shares, Class T shares and Class I shares would be in excess of 10.0% of the gross proceeds of the Primary Offering; or (iv) the end of the month in which the transfer agent, on the Company's behalf, determines that total underwriting compensation with respect to the Class T shares held by a stockholder within his or her particular account, including dealer manager fees, sales commissions and distribution fees, would be in excess of 10.0% of the total gross offering price at the time of the investment in the Class T shares held in such account.

The Company will not pay any distribution fees on shares sold pursuant to the Company's DRP. The amount available for distributions on all Class T shares will be reduced by the amount of distribution fees payable with respect to the Class T shares issued in the Primary Offering such that all Class T shares will receive the same per share distributions.

The following table summarizes the above mentioned fees, and expenses incurred by the Company and Preferred Equity Interest payment due as of December 31, 2020:

Type of Fee or Reimbursement	Financial Statement Location	Due to related party as of December 31, 2019	Year ended December 31, 2020 Incurred	Year ended December 31, 2020 Paid	Due to related party as of December 31, 2020
Management Fees					
Asset management fees	Management fees	$ 10,521	$ 156,107	$ 151,794	$ 14,834
Organization, Offering and Operating Expense Reimbursements					
Operating expenses[(1)]	General and administrative expenses	108,485	—	—	108,485
Organization expenses[(2)]	General and administrative expenses	319	—	132	187
Offering costs[(2)]	Additional paid-in capital	97,735	75,257	57,902	115,090
Commissions and Fees					
Selling commissions and dealer manager fees, net	Additional paid-in capital	—	123,732	123,732	—
Distribution fees	Additional paid-in capital	49,739	138,596	16,842	171,493
Repurchase of loan participations sold					
Delshah Preferred Equity Interest	Investment in real estate-related assets	—	—	—	4,351,000
Total		**$ 266,799**	**$ 493,692**	**$ 350,402**	**$ 4,761,089**

Note: (1) As of December 31, 2020, the Advisor has incurred, on behalf of the Company, a total of $4,050,170 in Unreimbursed Operating Expenses, including a total of $1,011,270 during the year ended December 31, 2020 for which the Advisor has not invoiced the Company for reimbursement. The total amount of Unreimbursed Operating Expenses may, in future periods, be subject to reimbursement by the Company pursuant to the terms of the Advisory Agreement.

(2) As of December 31, 2020, the Advisor has incurred, on behalf of the Company, a total of $5,897,934 of O&O Costs, of which the Company's obligation is limited to $115,277, pursuant to the 1% Cap.

The following table summarizes the above mentioned fees and expenses incurred by the Company as of December 31, 2019:

Type of Fee or Reimbursement	Financial Statement Location	Due to related party as of December 31, 2018	Year ended December 31, 2019 Incurred	Year ended December 31, 2019 Paid	Due to related party as of December 31, 2019
Management Fees					
Asset management fees	Management fees	$ 3,730	$ 95,953	$ 89,162	$ 10,521
Organization, Offering and Operating Expense Reimbursements					
Operating expenses(1)	General and administrative expenses	108,485	—	—	108,485
Organization expenses(2)	General and administrative expenses	449	—	130	319
Offering costs(2)	Additional paid-in capital	38,957	77,896	19,118	97,735
Commissions and Fees					
Selling commissions and dealer manager fees, net	Additional paid-in capital	—	246,169	246,169	—
Distribution fees	Additional paid-in capital	—	53,414	3,675	49,739
Total		**$ 151,621**	**$ 473,432**	**$ 358,254**	**$ 266,799**

Note: (1) As of December 31, 2019, the Advisor has incurred, on behalf of the Company, a total of $3,038,901 in Unreimbursed Operating Expenses, including a total of $2,930,484 during the year ended December 31, 2019 for which the Advisor has not invoiced the Company for reimbursement. The total amount of Unreimbursed Operating Expenses may, in future periods, be subject to reimbursement by the Company pursuant to the terms of the Advisory Agreement.

(2) As of December 31, 2019, the Advisor has incurred, on behalf of the Company, a total of $5,753,263 of O&O Costs, of which the Company's obligation is limited to $98,054, pursuant to the 1% Cap.

Investment by CFI

CFI initially invested $200,001 in the Company through the purchase of 8,180 Class A shares at $24.45 per share. CFI may not sell any of these shares during the period it serves as our sponsor. Neither the Advisor nor CFI currently has any options or warrants to acquire additional shares of the Company.

As of December 31, 2020, CFI has invested $2,200,001 in the Company through the purchase of 88,180 shares (8,180 Class A shares for an aggregate purchase price of $200,001 and 80,000 Class I shares for an aggregate purchase price of $2,000,000).

Sponsor Support

The Company's sponsor, CFI, is a Delaware limited liability company and an affiliate of CFLP. CFI will pay a portion of selling commissions and all of the dealer manager fees, up to a total of 4.0% of gross offering proceeds from the sale of Class A shares and Class T shares, as well as 1.5% of gross offering proceeds from the sale of Class I shares, incurred in connection with the Offering. The Company will reimburse such expenses (i) immediately prior to or upon the occurrence of a liquidity event, including (A) the listing of the Company's common stock on a national securities exchange or (B) a merger, consolidation or a sale of substantially all of the Company's assets or any similar transaction or any transaction pursuant to which a majority of the Company's board of directors then in office are replaced or removed, or (ii) upon the termination of the Advisory Agreement by the Company or by the Advisor. In each such case, the Company will only reimburse CFI after the Company has fully invested the proceeds from the Offering and the Company's stockholders have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus a 6.5% cumulative, non-compounded annual pre-tax return on such invested capital. As of December 31, 2020, CFI has paid Sponsor Support totaling $586,881.

Note 8 – Economic Dependency

The Company is dependent on the Advisor and its affiliates for certain services that are essential to the Company, including the sale of the Company's shares of capital stock, acquisition and disposition decisions and certain other responsibilities. In the event that the Advisor is unable or unwilling to provide such services, the Company would be required to find alternative service providers.

Note 9 – Commitments and Contingencies

As of December 31, 2020 and December 31, 2019, the Company was not subject to litigation nor was the Company aware of any material litigation pending against it.

Unfunded Portion of the East 12th Street Loan

\$6,830,000 of the East 12th Street Loan was funded at closing. \$1,660,000 of the East 12th Street Loan was withheld to be advanced to the extent the East 12th Street Property generates insufficient cash flow to fully cover payment of interest on the East 12th Street Loan. The remaining portion of the East 12th Street Loan, \$500,000, was withheld to be advanced to pay for capital expenditure, broker commissions and tenant improvements associated with the East 12th Street Property as approved by RIT Lending. No interest will accrue on the unfunded amounts. Subsequent to the date the East 12th Street Loan was originated, as of December 31, 2020, the Company and CFI have advanced \$1,459,417 to cover interest shortfalls, reducing the amount withheld to fully cover payment of interest on the East 12th Street Loan to \$200,583. As of December 31, 2020, the Company had advanced \$235,263 for capital expenditure, reducing the amount withheld for capital expenditure, broker commissions and tenant improvements to \$264,737. As of December 31, 2020, the total funded amount for the East 12th Street Loan was \$8,524,680. See Note 3 for additional information.

Risks and Uncertainties

The rapid development and fluidity of the situation surrounding the COVID-19 pandemic precludes any prediction as to the ultimate impact on the Company. The full extent of the impact and effects of COVID-19 on the future financial performance of the Company, as a whole, and, specifically, on its loan investments and underlying borrowers and their real estate property holdings are uncertain at this time. The impact will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories and restrictions, the recovery time of the disrupted supply chains, the consequential staff shortages, and production delays, and the uncertainty with respect to the accessibility of additional liquidity or to the capital markets. COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to the Company's performance, financial condition, results of operations and cash flows.

Note 10 – Fair Value Measurements

Under normal market conditions, the fair value of an investment is the amount that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). Additionally, there is a hierarchal framework that prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment and the state of the market place, including the existence and transparency of transactions between market participants. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following levels within the fair value hierarchy:

> Level 1 measurement — quoted prices are available in active markets for identical investments as of the measurement date. The Company does not adjust the quoted price for these investments.
>
> Level 2 measurement — quoted prices are available in markets that are not active or model inputs are based on inputs that are either directly or indirectly observable as of the measurement date.
>
> Level 3 measurement — pricing inputs are unobservable and include instances where there is minimal, if any, market activity for the investment. These inputs require significant judgment or estimation by management or third parties when determining fair value and generally represent anything that does not meet the criteria of Levels 1 and 2. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

The following describes the methods the Company uses to estimate the fair value of the Company's financial assets and liabilities:

Commercial mortgage loans, held for investment and Loan participations sold —The fair value is estimated by discounting the expected cash flows based on the market interest rates for similar loans to the Company's Commercial mortgage loans, held for investment and Loan participations sold. The Company determined that the market interest rates as of December 31, 2020 for both the Delshah Loan and the East 12th Street Loan were greater than their contractual interest rates. As of December 31, 2020 and December 31, 2019, the estimated fair value of the Company's Commercial mortgage loans, held for investment was \$16,660,002 and \$25,743,980, respectively. As of December 31, 2020 and December 31, 2019, the estimated fair value of the Company's Loan participations sold was \$8,208,784 and \$14,970,000, respectively. The Company has not elected the fair value option to account for its Commercial mortgage loans, held for investment or Loan participations sold.

Investment in real estate-related assets - The fair value is estimated by discounting the expected cash flows outflows based on the market preferred return rates for similar preferred equity investments to the Company's investment in the Delshah Preferred Equity Interest. As of December 31, 2020 and December 31, 2019, the estimated fair value of the Company's Investment in real estate-related assets was $8,100,000 and $0. The Company has not elected the fair value option to account for its Investment in real estate-related assets.

Other financial instruments — The Company considers the carrying value of its Cash and cash equivalents to approximate its fair value because of the short period of time between its origination and its expected realization as well as its highly-liquid nature. Due to the short-term maturity of this instrument, Level 1 inputs are utilized to estimate the fair value of Cash and cash equivalents.

The following table details the principal balance, carrying value, and fair value of the Company's financial assets and liabilities as of December 31, 2020:

			Fair Value			
	Principal Balance	Carrying Value	Level 1	Level 2	Level 3	Total
Assets						
Cash and cash equivalents	$ 4,804,926	$ 4,804,926	$ 4,804,926	$ —	$ —	$ 4,804,926
Commercial mortgage loans, held for investment	$ 16,624,680	$16,624,680	$ —	$ —	$16,660,002	$16,660,002
Investment in real estate-related assets	$ 8,100,000	$ 8,100,000	$ —	$ —	$ 8,100,000	$ 8,100,000
Liabilities						
Loan participations sold	$ 8,019,000	$ 8,019,000	$ —	$ —	$ 8,208,784	$ 8,208,784

The following table details the principal balance, carrying value, and fair value of the Company's financial assets and liabilities as of December 31, 2019:

			Fair Value			
	Principal Balance	Carrying Value	Level 1	Level 2	Level 3	Total
Assets						
Cash and cash equivalents	$ 905,358	$ 905,358	$ 905,358	$ —	$ —	$ 905,358
Commercial mortgage loans, held for investment	$ 25,743,980	$25,743,980	$ —	$ —	$25,743,980	$25,743,980
Liabilities						
Loan participations sold	$ 14,970,000	$14,970,000	$ —	$ —	$14,970,000	$14,970,000

Note 11 – Subsequent Events

Status of the Offering

As of March 23, 2021, the Company had sold an aggregate of 796,801 shares of its common stock (consisting of 409,966 Class A shares, 211,202 Class T shares, and 175,633 Class I shares) in the Offering resulting in net proceeds of $18,387,236 to the Company as payment for such shares.

Distributions

On February 12, 2021, the board of directors authorized, and the Company declared, distributions for the period from February 15, 2021 to May 14, 2021, in an amount equal to $0.004602739 per day per share (or approximately $1.68 on an annual basis). Distributions will be payable by the 5th business day following each month end to stockholders of record at the close of business each day during the prior month.

Capital Expenditure Advance

On March 10, 2021, the Company advanced an additional $122,873 for capital expenditures on the East 12th Street Loan, reducing the amount withheld for capital expenditure, broker commissions and tenant improvements to $141,864. As of March 10, 2021, the total funded amount for the East 12th Street Loan was $8,647,553.